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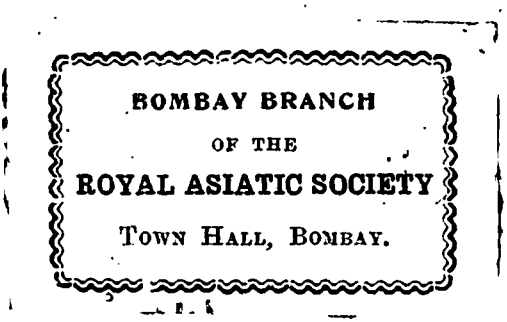

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A

LETTER

TO THE

RIGHT HON. ROBERT PEEL,

M. P. FOR THE UNIVERSITY OF OXFORD

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ON THE

PERNICIOUS EFFECTS

OF A

VARIABLE STANDARD OF VALUE,

ESPECIALLY AS IT REGARDS

THE CONDITION OF THE LOWER ORDERS

AND

THE POOR LAWS.

BY ONE OF HIS CONSTITUENTS.

Laissez nous faire.

THIRD EDITION.

OXFORD,

PRINTED FOR JOHN MURRAY, ALBEMARLE-STREET,

LONDON.

1819.

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BAXTER, PRINTER, OXFORD.

A

LETTER,

&c.

SIR,

IN addressing to you these remarks upon the state of our currency, and its connexion with some of the most important interests of society, I have presumed partly on the political relation now subsisting between us, but still more on the manliness and candour which your parliamentary conduct has always exhibited, and which assures me that I shall obtain one reader at least who will think for himself, and who will not fear, upon a great practical question, to declare what he thinks, however adverse his opinions may be to those whose general line of politics he approves. Another motive for this choice is, that the sanction of such a name will probably engage the attention of many readers for whom the subject itself has few attractions, or who think perhaps that the discussion it

has undergone is already complete, and that no additional light can now be thrown upon it. To such reasoners I have only to point out the simple fact, that the present Chancellor of the Exchequer maintains doctrines which are at variance with writers hitherto regarded as the greatest authorities in political economy—that this controversy still subsists between his published opinions and theirs—and that his practical measures are still regulated by the opinions he has avowed. Unless therefore we are prepared to abandon these authorities, and adopt a new theory of money, we must regard the question as one still undetermined, and considering its deep and universal interest, deserving of the most careful investigation.

Before I proceed however to lay before you the view I have taken of this important subject, I must be permitted to observe, that the didactic air which may appear in some of these statements, unsuitable as it is to the epistolary form, and particularly as addressed to one who is himself far superior to the writer in political experience and knowledge, is yet almost inseparable from the method of inquiry here pursued. When first principles are brought in question, it is necessary to explain and vindicate the very elements of the science: at any rate it is impossible satisfactorily to maintain an argument on practical measures

without pointing out the dependency of our positions on those first principles which are generally received as true. In the discussion which has hitherto taken place, in and out of Parliament, the advocates of our present financial system have sometimes adopted one, sometimes another of these methods. At one time they deny the fundamental principles alledged by their opponents—at another they dispute the connexion between the cases adduced and those principles—but still oftener do they seek to involve the question in darkness and mystery, by bringing forward facts, apparently at variance with those principles, and leaving their adversaries to account for them—thus playing a safer part than if they openly denied the principles themselves; and by a trick of sophistry, throwing a discredit upon their adversary, because he cannot at the moment either disprove the facts, or reconcile them at once with his own theory.

To this latter practice I shall particularly advert in the sequel; conceiving, as I do, that it is highly disingenuous, and unworthy of the station and character of those who frequently resort to it. Every one knows how difficult it is to make the generality of men, especially of men who are engaged, as all are more or less, in practical dealings, contemplate questions of this kind steadily and impartially. A

considerable effort is necessary to enable them to abstract these ideas from the crowd of adventitious circumstances in which they are always enveloped, and still more from the personal interests involved in them. And when this end is accomplished for a time, and the truth is perceived and acknowledged, how soon is the attention exhausted, and the mind returns with pleasure to that state of slovenly repose in which we are too apt to indulge, unless when excited by considerations of interest or duty. If it be true even in morals that

> Our better mind
> Is but a Sunday's garment, then put on
> When we have nought to do, but at our work
> We wear a worse for thrift,

still more natural is it, in matters which belong rather to the province of intellect than of moral duty, that the purer speculations of science should be of rare occurrence and short-lived. Those extraneous particulars which have by a laborious process been separated in order to exhibit the main ingredient in its unmixed form, soon rush together and become blended as intimately as before, when the scientific purpose is answered, and the powerful test which had expelled them is withdrawn. There is then a strong and constant tendency in the public mind to this confusion of the simple

elements of science in the practical concerns of life; and it is painful to see the authority of men high in station employed not to correct these errors, but to sanction and confirm them. Independently of the actual mischief flowing from the errors themselves, one may be allowed, without incurring the charge of Quixotic enthusiasm, to lament that the cause of truth itself should be thus exposed to unexpected difficulties—difficulties not of the ordinary kind arising out of the prejudices and ignorance of the vulgar, but from the influence of men of talent and reputation; whose aid one might rather have anticipated in behalf of reason against prejudice.

That the opposite course should have been pursued and should have prevailed, I can only account for, by considering the nature of the Cause in support of which these financial doctrines were first avowed, and the political hostility to that cause which was declared by many of their adversaries. Whatever my own opinion of the doctrines may be, it certainly does not arise from any disapprobation of the policy then pursued, nor from any leaning towards the foreign politics of its opponents. On the contrary, if that cause had required much greater pecuniary sacrifices from this nation than have been made, according to my judgment it was well worth them all. The nation, I believe,

would have cheerfully borne more: and now that the contest has been brought to a glorious issue, they would have looked back with pride instead of regret on the exertions it had cost them. But on this very account I lament that sophistry and delusion should have been employed to effect that for which the simple truth was alone sufficient. The cause was worthy of better means: and to the credit of the late Mr. Perceval it should be observed, that he always grounded the obnoxious measure of a forced paper currency, not as his successor in office has done, upon the denial of all the soundest maxims of political economy, but on the necessity of the measure in order to sustain the conflict in which we were then engaged. This ground is intelligible and manly. It admits the departure from established principles, but defends it as the means of avoiding a greater evil. The choice is thus fairly placed before the country: and by the very mode of stating the case, it is at least implied, that when the emergency is past, there will be an end also of those irregular proceedings to which it gave birth. Had this ground been steadily maintained, the country would have had the satisfaction of doing that generously, which they have now been told was no sacrifice at all. They might have indulged an honest pride in facing the difficulties of their situation with their

eyes open, instead of yielding to representations which disguised the danger, which insulted the understanding of the wise, and deprived even the ignorant of the credit of making a voluntary tribute to so great a cause.

It is an old reflection, that men submit cheerfully to irregular acts of power which they regard as necessary, but not to injustice under colour of right. A reflection which Lord Clarendon follows up by some judicious remarks on the effect of that unwise as well as unjust decision of the twelve judges in the case of Ship-money. "That pressure," he observes, "was borne with much more cheer-"fulness before the judgment for the king, than "ever it was after: men before pleasing themselves "with doing somewhat for the king's service, as a "testimony of their affection, which they were not "bound to do; many really believing the neces-"sity, and therefore thinking the burden reason-"able; others observing, that the advantage to the "king was of importance, when the damage to "them was not considerable; and all assuring "themselves, that when they should be weary, or "unwilling to continue the payment, they might "resort to the law for relief, and find it. But "when they heard this demanded in a court of "law, as a right, and found it by sworn judges "of the law adjudged so, *upon such grounds and*

"*reasons as every stander-by was able to swear* "*was not law*, and so had lost the pleasure and "delight of being kind and dutiful to the king; and "instead of giving, were required to pay, and *by a* "*logic that left no man any thing which he might* "*call his own*, they no more looked upon it as "the case of one man, but the case of the king-"dom, nor as an imposition laid upon them by the "king, but by the judges; which they thought "themselves bound in conscience to the public "justice not to submit to."

How far this memorable case bears upon the question before us, as a *perversion of law*, I shall explain hereafter. Even under that view of it there appear to me to be no slight grounds of alarm in the language which the Chancellor of the Exchequer has thought fit to hold:—but at present I would point out more particularly the close analogy subsisting between his perversion of *reason* and their perversion of *law*, in support of a measure of state, and the corresponding effect naturally produced in the minds of all those who watch the proceeding. For myself, I could not more correctly describe the feeling excited by his speeches and the votes of Parliament which followed upon them, than by adopting the words of the eloquent historian just cited. And the more the subject is examined, the more, I am persuaded, will the public feel the ne-

cessity of some explicit disavowal, on the part of Government, of such pernicious doctrines.

It will be my endeavour, in the latter part of this Letter, to exhibit with as much conciseness as is consistent with perspicuity, the several tenets which Mr. Vansittart has maintained on the subject of our currency, in opposition not only to his Parliamentary adversaries, but to the ablest writers, whose opinions have been universally adopted throughout Europe; and more especially to analyze the *reasoning* by which his measures have been supported. But it will be expedient in the first place to premise some observations, on the *importance* of this subject—on its intimate connexion with our laws, our morals, our religion, in short, with every constituent of social welfare and happiness. It is, I fear, but too common to regard a question of finance as important only to the public transactions or to the foreign commerce of the country: and people in general are apt to turn a deaf ear to discussions in which they fancy they have no immediate interest. Financial pamphlets, it has become familiar to remark, produce no impression on the public mind. It is on this well-known fact that our finance minister seems principally to rely for the success of his measures. For if once the generality of people of education could be persuaded that they affect all the most

valuable interests of life—that there is really no mystery in the thing itself, (for after all it is only a question of simple arithmetic, and the whole difficulty consists in preserving an exact method, and clearing away irrelevant matter which obstructs the view, while the art of him who is in the wrong on a question of accounts consists in embarrassing and confounding the question and hiding the simple truth,) they would doubtless exercise that independence of mind for which our country is justly celebrated, and compel by the influence of public opinion that deference to truth and justice, which is so conspicuous in every other branch of our public administration.

It happens unfortunately too for such enquiries, that men are apt to overlook the simplest and most fundamental truths, merely because they are elementary. The successive improvements which are engrafted on the rude elements of any art, by degrees engross all their attention, and impede rather than assist the view, in case any derangement or unexpected difficulty should occur, which calls for an examination of first principles. Dexterity in practice is by no means a criterion of well-grounded knowledge. It is often acquired by the very neglect of that knowledge; the attention which such knowledge demands being profitably transferred to the rapid execution of measures

really but not apparently connected with it. Thus in all improved machinery, the operation would be retarded if the workmen were continually reflecting on the several principles of its construction, and the connection they have with the ultimate effects produced. There is in fact no motive for such mental exertion, and the end being not only as well but even more expeditiously attained without it, it soon is not only disregarded as useless, but despised as pedantic. Hence it is that practical men are of all others least qualified to judge of new and unforeseen cases. Habit has already with them superseded reflection: they come to the consideration with minds preoccupied: and if besides this their interests are involved, as they always are to a certain degree, in the question, there is hardly any hope of a fair and impartial judgment: for even the propositions of Euclid, says a philosophical writer, would become subjects of controversy, if the passions and interests of mankind were affected by the result.

Notwithstanding, however, this prejudice in favour of practical opinions as opposed to theory, I will venture to premise a few of the established positions, however trite, on which the subsequent reasoning is founded.

The great importance of a *permanent standard*, as the instrument of commerce, as a common

measure, by which the value of all commodities may be expressed, no one denies. Certain properties in what we call the precious metals seem to have determined all mankind, from the earliest ages, to adopt them in preference to other things for this purpose. Besides their intrinsic value as articles of luxury, they unite the requisites of being portable, divisible, imperishable, distinguishable, in a higher degree than any other substance. Their quantity also is moderate, and not easily increased: and hence arises that main property of being less subject to variation in value than other commodities. That *they* also are variable, as well as other things, but in a much less degree, was long ago observed by a profound and accurate writer [a]. This circumstance arising in the world at large from the indefinite increase in quantity to which they are liable, disqualifies them indeed for being a perfect instrument, but still leaves them by far the best that can be employed for that use: and the universal concurrence of mankind is decisive testimony to this point. Their variation in value in particular countries is of course owing to the fluctuations of demand and supply, an evil which has always a tendency to correct itself—and

[a] Πάσχει μὲν οὖν καὶ τοῦτο τὸ αὐτό· ἡ γὰρ οἰκία οὐ τοσοῦδε ἀνταξία· ὅμως δὲ βέλτιόν ἐστι μένειν μᾶλλον. Arist. Eth. Nicom. lib. v. cap. 5.

which can never be excessive or even considerable where mutual intercourse is uninterrupted.

It should here be observed, that admitting the continual production of these metals to exceed the wear and tear and loss and secretion, yet it by no means follows that an *absolute increase* in quantity would lessen their value. The principal demand for them being for the purpose of money, in proportion as mankind multiply and commerce is extended, this demand will be increased. It may often exceed the supply, and thus raise their value, as seems to have been the case for two or three centuries before the discovery of America; and even now, if the art of commerce had not been improved by the institution of banks, and the great extension of credit, the annual supply from America would probably have fallen far short of the increased demand, in consequence of the spread of civilized population over the face of the globe, and the great increase of it in old countries.

The rapid depreciation of these metals after the working of the mines in South America has become a matter of trite remark. But there are circumstances attending it, more instructive and more deserving the attention of a practical statesman than the fact itself. I mean, the backwardness of mankind in perceiving this fact, their unwillingness to allow it, their proneness to account for the

change of prices by every other cause than the true one, the consequent unfairness and inequality in all contracts made for a length of time, the disturbance caused in the several relations of society, the hardships and depression of some, the ruin of others, the difficulties thrown in the way of adjustment, and the discord, reproach, vexation, and anxiety which was thus spread through every department of life.

Whoever is conversant with the history of those times, especially with that branch of history which enters into the detail of life and manners, must have had frequent opportunities of verifying these remarks. They abound with complaints of the increased dearness of provisions, and of all the necessaries of life—of the rapacity of landlords, the exactions of the clergy, the sufferings of the poor, the pressure of public burdens, the extravagant demands of all men for higher prices and for an increase of wages. Even the literature of the time, and the records of all our ancient institutions, teem with incidental notices to the same effect. The following passage from a sermon of Bishop Latimer's may be taken as a specimen of the mode of thinking on these matters, which continued till the end of Queen Elizabeth's reign, about the close of which the progress of depreciation received a check, continuing nevertheless with a slow and

scarcely perceptible pace through the whole of the next century.

" Without too much we can get nothing. As " for example, the phisition. If the poore man " be diseased, he can have no help without too " much: and of the lawyer, the poore man can get " no counsell, expedition, nor helpe in his matter, " except he give him too much. At marchaunts " handes, no kind of ware can be had, except we " give for it too much. You landlords, you " rentraisers, I may say, you steplordes, you un- " naturall lordes, you have for your possessions " yearely too much. For that heere before went " for 20*l.* or 40*l.* by yeare, (which is an honest por- " tion to bee had *gratis* in one lordshippe, of " another man's sweate and labour,) now it is let " for 50 or 100 pound by yeare. Of this too much " commeth this monsterous and portentuous dearth " made by man, notwithstanding God doth send " us plentifully the fruites of the earth mercifully, " contrary unto our desertes. Notwithstanding " too much, which these rich men have, causeth " such dearth, that poore men (which live of their " labour) cannot with the sweate of their face have " a living, all kinde of victuals is so deare, pigs, " geese, capons, chickens, egges, &c. These " thinges with other are so unreasonably en- " haunsed: and I think verily, that if this con-

"tinue, we shall at length be constrained to pay "for a pigge a pound."

We may smile at the simplicity of this preacher, and talk of the comparative ignorance of that age: but the same effect precisely has been produced by the same cause in our own times, and is invariably produced whenever the value of money has undergone a rapid change. Man is naturally an egotist. He classes, and estimates, and speaks of objects relatively to himself. Experience by degrees enables us to combine facts, and to correct one observation by another: but few who are busily engaged in action attempt this: their impressions are formed at the moment, and from these hasty inconsiderate impressions habits of thinking and speaking arise, which at length become inveterate, and are too stubborn for correction: and it is not till we take our stand at such a distance as to be no way affected ourselves by the objects we contemplate, that their true relation amongst each other is discerned.

Thus even in the year 1773, when Dr. Johnson travelled through the Highlands, he observes that the people every where complain of the rapacity of landlords, and the increasing dearness of provisions, and of all articles of trade. Men will, he remarks, persist in regarding money as the fixed commodity, and all other things as variable;

whereas when a change of price like this gradually pervades the market, it is plain that the *standard* is variable, and not the things which are measured by it, which keep for the most part their relative values as measured by each other unchanged.

The change of value which Dr. Johnson observed in 1773 has been advancing regularly ever since, and during the last twenty years with increased velocity. This is a fact placed beyond dispute. Of the latter period I forbear at present to speak, because the depreciation of our currency, as peculiar to this country, is still disputed: and to the consideration of that point I shall proceed, when other preliminary matters are dispatched. But down to the commencement of the war in 1793, a progressive depreciation of money had been perceptible, shewing itself in a rise of prices, and increase of rents, with the usual accompaniment of complaints at the growing avarice, extortion, and greediness of all classes of men.

Of the *cause* of this depreciation in our own age, so strikingly parallel in its effects on society with that of the sixteenth century, it may be as well here to say a few words: and a few words, I trust, will be sufficient to explain it. That a vast increase of the circulating medium lessens the value of any given part of that medium is universally admitted: and hence we account for the former

depreciation by the increased supply of the precious metals from the mines of America. Now about the middle of the eighteenth century the use of paper as a representative of coin was becoming very general. The banking system had spread from London to all our chief commercial towns; till at length, in the year 1792, when perhaps it had reached or even surpassed the acme of a sound currency, every market town possessed its bank, and all the larger payments, as well as a great proportion of the ordinary payments of life, were made in paper. The specie thus superseded had not yet entirely found its way to foreign countries; and a large accumulation, with its consequent depreciation, took place at home. It should be observed too, that the banking system not only *increases the amount*, but leads also to a *lessened demand* of the circulating medium, by those modes of economising its use, so well explained by Mr. Bosanquet[d], which make 10,000*l.* perform the part of half a million in the general settlement of mercantile transactions in London. The same operation to a certain degree is periodically performed in every town which contains a number of banks: and its effects are precisely the same as if an additional quantity of money were kept in hand for these purposes. If, for instance, a million of specie is

[d] Observations on the Report of the Bullion Committee, p. 45.

required to circulate the wealth of a district, and by means of improvement in commerce 200,000*l.* which formerly was detained for answering these mutual demands of merchants on each other, is set at liberty, the effect on the value of the current medium is the same as if its quantity had been augmented to that amount.

What proportion the representative part of a currency may safely bear to the real, it is not perhaps easy to ascertain; so much depending on the habits of the people, who require long training before they give entire confidence to such a mode of payment: and even when the credit is entire, there are many who prefer a tangible to an ideal form of wealth. Some estimate may however be formed from the opinion of Dr. Smith, who considers a stock in hand equal to one third of its bills as quite sufficient to maintain the credit of a bank. When the first editions of his work appeared, the banking system was comparatively new, although it had already produced a sensible effect on our currency by a general rise of prices. Whether this rise was likely to continue is one of the points Dr. Smith discusses, and which he determines in the negative; probably not foreseeing the rapid and wide extension of that paper circulation out of which it sprung. If then we adopt Dr. Smith's proportion of paper to specie, viz. three to one, as constituting

the creditable state of a single bank, and recollect that banks, which in his time were few, had become in the year 1792 almost universal, so that large payments in specie were generally admitted to be inconvenient, and seldom took place, we may fairly conclude, that the whole circulating medium of the country was increased at least in the ratio of two to one in the course of little more than forty years. If the substitution of paper for coin were strictly universal, the ratio of three to one would not be too large; but I prefer the other, both because the fact certainly was, that much coin continued to circulate, and the average rise of prices between the years 1750 and 1792 corresponds pretty nearly with the proportion first stated. Had the same substitution of paper prevailed throughout the civilized world, there can be no doubt but the depreciation of gold and silver would soon have sunk to the same level; the introduction of this new medium being precisely equivalent to a multiplication of the metals, with this additional circumstance conspiring to sink its value, that the labour and cost of production are comparatively nothing. But it is well known that we far outrun other nations in this species of created wealth: accordingly much of our own specie is only dislodged to swell the general currency of Europe; and by means of this outlet the

excessive accumulation at home has been counteracted. Still the public stock of the trading world is so far augmented—the ratio of augmentation being greatest in that country which always keeps its circulation brimfull by this domestic manufacture of money.

I say nothing of the other concurrent causes which aided this depreciation, such as the public debt, and the expenditure of the American war; my object being now chiefly to point out the necessary effects of such a change upon the welfare of society; with the hope that if those evils which I conceive to flow from it are admitted to be its natural result, a strong effort may be made to oppose a system which *aggravates* those evils unnecessarily, and finds its resources for discharging past engagements in the perpetuation of this unnatural state of things. The evils I am about to enumerate are no ground of accusation against the government under which they sprung. The rich have been made poor—the creditor has been paid off with less than he lent—the helpless annuitant has sunk amidst the general rise—and he who sold his land for what was deemed an equivalent, has lived to see the price dwindled to less than half its value. These with a thousand other grievances cannot be imputed either to laws or ministers. They are involved in the very nature of the com-

modity itself. Money was supposed to be unchangeable in value, and property invested in that form to be less variable in its nature, however precarious its tenure, than in any other. The opinion has been proved by unforeseen causes to be erroneous—causes for which no one is accountable, and which no one could have anticipated; and those who acted under the error must abide by their loss. But if such be the misfortune of persons who cannot be blamed for their error, it still becomes the part of a statesman to mitigate that misfortune as far as lies in his power: certainly it is his duty, not to heighten this inequality—not to aggravate this unforeseen and unintentional injustice—not to throw himself into the scale against the sufferer, to enrich the gainer and impoverish the loser in this unfortunate traffic still more, by an artificial depression of that commodity in which the loser's property is invested, or by which his claims are to be measured. That such *is* the necessary effect of those financial measures and opinions which Mr. Vansittart maintains, it shall be my endeavour presently to demonstrate. But let us first describe somewhat more in detail, what the evils are which attend a rapid change in the value of money, such as no man denies to have actually happened, whatever his opinion of the cause may be.

Now the anxiety men have in all ages shewn to obtain a fixed standard, and that remarkable agreement of nations, dissimilar in all other customs, in the use of one medium, on account of its superior fitness for that purpose, is itself a convincing proof how essential it is to our social interests. The notion of its permanency, although it be conventional and arbitrary, and liable in reality to many causes of variation, yet had gained so firm a hold on the minds of men, as to resemble in its effects on their conduct that instinctive conviction of the permanency of the laws of nature, which is the foundation of all our reasoning. Not only their private contracts, but the most important civil institutions, are built upon it. I need only instance the qualification for a freeholder's vote, and the limitations of five shillings and forty shillings in our criminal law. Trained and encouraged in this security by the highest authorities, by universal practice, by the very structure of language which bears the stamp of this belief durably impressed upon it, men naturally contract for the future on the same principles as they exchange for the present. Their time, their services, their property are engaged for distant terms at a stipulated price in money. Others from various motives of convenience or necessity convert their lands and houses into this more portable form, and find when they

come to reinvest it, that it is no longer what it was, and what it still professes to be. Parents divide their property in what seems to be the most equitable proportion among their children; who discover, when it is too late, that the intention is defeated, and the designed order cruelly inverted: that those, who, as being less able to manage and improve their portion, were especial objects of care, are in reality the least favoured; and instead of being better secured against the fluctuations of commerce, are carried onward by a stream of uniform depreciation which they have no means of counteracting, and the limit of which lies beyond their view.

The answer which a political economist gives to these complaints is, that the market naturally adjusts itself to this change of value—that all payments, sooner or later, find their proper level—that in the mean time industry is quickened, and improvement promoted by the profit which all active dealers make even beyond their own calculations—that the mere nominal increase of price operates as an incentive, and deceives men into their own advantage—that in many cases the advantage is real as well as nominal—that the farmer who sells his produce for more than when he took his farm, improves his land by the expenditure of a larger capital—that all sellers, in

short, gain, or appear to gain—and that the only loser is the indolent proprietor of money, who is altogether a buyer, and a seller of nothing.

To this statement several important considerations must be opposed. In the first place, it admits that the proprietor of money and the annuitant, a large and in general a helpless class of the community, have no share in the general redress. But besides this, the correction itself comes tardily to many and unequally to all. One of the ablest writers indeed on this subject observes, that "a variation in "price caused by an altered value of money is com- "mon *at once* to all commodities [a]." This position was not perhaps intended to be taken literally; for the professed object of the work in which it occurs is, to point out the *ultimate* effects of those variations in the demand for labour which are for ever disturbing the surface of life, disregarding in the mean time all partial derangements, and the irregular intervals at which the several corrections and adjustments respectively take place. The fact undoubtedly is, that the altered value of money does not affect all prices at the same time: but that wide intervals occur, during which one class is compelled to buy dear while they sell cheap, and others have no prospect whatever of indemnity, or of regaining the relative position they once occupied.

[a] Ricardo on Political Economy, p. 577.

In the direct bargaining of the market, it is true, where demand and supply are the sole regulators, where profit and loss are the only considerations, and each dealer is independent of the other, self-interest is sufficiently quicksighted to protect itself; and nothing interferes either to embarrass the view, or to check the natural tendency towards a due adjustment of prices. But in the intercourse of life, how numerous are the transactions into which money enters only as one ingredient of the compound! The moment indeed we quit the shop or the market, all our payments are mingled up with a thousand feelings more or less foreign to the commercial principle—feelings of respect, of delicacy, of forbearance, of affection, of friendship, of gratitude, of duty, which abhor the language of traffic, and studiously exclude it, as far as human affairs will permit, from their communion. It is needless to dwell upon the well-known fact, that all men of liberal and cultivated minds shun this species of negociation between themselves, that they abridge and evade it if possible, and throw it off upon some intermediate or professional agent. The permanency of a standard relieves the irksomeness of such arrangements, by the promise it gives, that they cannot often return: but when this standard by its variation silently undermines the very principle

of the agreement, a continual repetition and correction of these painful dealings is rendered necessary—dealings so much the more painful in their correction than in their first settlement, because opinions vary about the reality of the change, or its amount, or its probable duration: and much injustice is endured from various motives, before the remedy is obtained, or even applied for; while in the mean time the current of private life, which ought most to be protected from such agitations, is ruffled and disturbed by suppressed discontent, or by discussions and altercations still more unfriendly to social happiness.

If an example should be required, on an extended scale, let me draw your attention to the composition for tithes between a Rector and his parishioners—a mode of settlement which for the sake of peace, of mutual convenience, and of professional character, it is most desirable to preserve undisturbed. Yet as the standard of value changes, these agreements require to be perpetually rectified, and made conformable to the change. Is it to be wondered, that in that class of life, the payer should be still more obstinately blind to the necessity of a change, than in more liberal callings—that under prejudices of early habit, cooperating with his interest, and confirmed by the potent spell of names continuing the same, although the nature

of the thing is changed, it should be difficult to persuade him that his pastor does not really demand more than his predecessor enjoyed? Persuasion indeed in such cases is always hopeless: the demand is resisted as long as it can; and when enforced is paid with reluctance, and too often followed by murmurs and reproach; while at each successive operation of the same kind, fresh irritation is produced, and a general ferment and exasperation pervades a community, which ought to be the residence of harmony and mutual good-will.

These considerations, however they may be despised by some statesmen, you, Sir, I am persuaded, will not deem beneath your notice. But the evil is yet more apparent, if viewed in the case of those who are not restrained by delicacy from advancing their claims, but whose situation is so dependent, or their interests so entangled, that they must acquiesce in the unfairness, for fear of incurring some greater loss. The superior may be petitioned, but he cannot be threatened into equity. The competition of the market offers no resource here. If the claim is not allowed, secret dissatisfaction there may be, but absolute submission must be the consequence of refusal. Among the endless variety of cases which this class comprehends, it will be sufficient to mention one, and that a prominent example, the case of stipendiary curacies.

That these stipends did not rise in proportion to the income of benefices is perfectly notorious—that in most instances they fell short of that proportion by one half is my firm belief, founded upon pretty extensive enquiry: and if the legislature had not opportunely interposed, there is reason to think, from the opposition raised against the measure, that to this day the evil would have existed in full force, and that at least a generation must have passed away before the remedy would have overtaken it.

The same principle is observable even in transactions which partake more of the character of trade, and in which therefore competition *alone* may be supposed to regulate the market. All commodities do *not* obtain the advanced price at once. In what order they succeed one another, it may not be easy to determine; and much depends upon local and accidental causes; but in general it may be affirmed, first, that the necessaries of life obtain it before the superfluities—and secondly, that he who can withhold his commodity, or dispose of it where he pleases, obtains the advance before him who must bring it at once to a given market. These are positions, the truth of which I apprehend will hardly be called in question. While the prejudice continues, which is one of the last that leaves the generality of men, that things are dearer, and that they must contract their expences, the saving is of course made on the super-

fluities of life—and the dealers in these superfluities finding the demand lessened, are thus induced, if they cannot afford to wait for better times, to lower rather than to advance the price. On the other hand, the man who can afford to keep back his wares, will naturally be inclined to do so, in order that his own trade may partake in the general advance of prices, which will in time reach him as well as the rest.

Now both these principles bear with accumulated force upon the class of labourers, more especially, for a reason which will presently be explained, upon the class of *agricultural* labourers. The things which they have to buy are the necessaries of life, and the only commodity they have to sell, their labour, it is impossible they should keep back. They come into the market therefore with a double disadvantage, and the effect is invariably found to correspond with this disadvantage[b]. A depreciation of the currency always depresses the lower classes. They *must* buy, and they *must* sell, and that immediately. The parties with whom they deal are intent upon gain. To drive a bargain is the business of their life, and they will not fail to employ the advantage thus thrown into their

[b] Dr. Franklin somewhere observes, that his countrymen say there is 10 per cent. difference between *Will you buy?* and *Will you sell?* This difference is unfortunately doubled to the labourer, when money falls in value.

hands. Besides which, it is easy to persuade themselves, and even the workmen they employ, that the high price of provisions is a temporary evil—that it must be borne accordingly—that they ought patiently to wait for better times. In the mean time the labourer is by degrees inured to a harder condition of life; to inferior food, lodging, and clothing. With his habits of living, his habits of thinking also undergo a change; and many of those comforts which formerly belonged to his station, being found to be no longer strictly necessary, are by degrees forgotten. In this manner, unless an extraordinary demand for labour comes to his aid, his condition is permanently and irrecoverably degraded.

That such is the natural course of things appears not only from theory, and the experience of our own times: perhaps the most unexceptionable authority I can produce to the same point is that of a writer, certainly well acquainted with the history of those countries of which he speaks, but who is far from making that application of the facts he adduces which is here designed.

"The great and rapid increase of national "wealth has always been attended by a correspond- "ent pressure of distress upon the peasantry. It "was thus in Portugal, when Joam III. succeeded "his father Emanuel, the most fortunate prince "that ever sat upon a European throne: he was

"master of Ormuz, of Goa, and of Malacca in the "East, thus commanding the whole trade of the "Indian seas; the gold mines of Africa sent in "rich returns to him, and the greater part of "Morocco paid him tribute: to these treasures "Joam III. succeeded, and never was there a pe-"riod of greater national distress arising from po-"verty than at the commencement of his reign. "It was thus in Spain, when ships came laden with "silver and gold from Mexico and Peru; the fact "was distinctly seen, and the cause distinctly "stated by a contemporary writer[b]: the influx of "specie produced a diminution in the value of "money, and habits of lavish expenditure in the "rich: rents were raised; all the necessaries of "life advanced in price; the burden fell upon the "poor; and of the wealth which poured into the "country in full streams, all that reached them "was in the shape of more abundant alms, which "made them more dependent than they were be-"fore, without preventing them from being more "miserable[c]."

A diligent enquiry into the state of society during the reign of Elizabeth, which in the depreciation of money corresponds remarkably with the present reign, would corroborate this position, by

[b] The Inca Garcilasso, vol. ii. book 1. c. 7. quoted in the Quarterly Review, vol. xv. p. 192.

[c] Quarterly Review, ibid.

shewing how ill the wages of labour kept pace with the increasing price of provisions. It is, I believe, allowed by all who have made minute researches into those times, that at no period of our history till the present was the condition of the labourer so bad. Hence sprung the great and almost sudden growth of the poor-law system, sometimes absurdly attributed to the suppression of monasteries. A violent disturbance of the established relations, as measured by the common standard of money, had taken place; and the lower classes being the last to obtain redress, sunk into that state of abject dependence, from which they slowly emerged through the natural corrective of a diminished population, aided by the general improvement of the next century, and the greater steadiness of our currency; but into which they are now again plunged by the operation of a similar cause.

It is the intimate connexion of this fact with the much agitated question of the poor laws, that gives it a commanding claim on the attention of the legislature: a connexion, which, notwithstanding the able and varied discussion that subject has undergone, seems to have attracted less notice than its importance deserves. It is, I believe, by far the most powerful of those causes which have brought the disease to a crisis, and alarmed us all into an anxiety about the remedy.

Much harm has doubtless been done by the false humanity of a recent law, which exempts the receiver of parochial relief from the wholesome terrors of a workhouse; and whatever is done towards a mitigation of the evil, all parties seem to be agreed on the necessity of returning to greater rigour in the general execution of the system. But it can hardly be imagined, that a system radically vicious, tending, as the universal voice of the country proclaims, to corrupt, impoverish, degrade, and disorganize society, should have been in full vigour, above two centuries, and yet not bring forth its baleful fruit till within the last thirty years, unless there had been something peculiar to this latter period, which fostered the evil, and drew out its latent venom. For it cannot be denied, that its growth has been progressive during the whole period of the late war with France—a period not of inactivity and stagnation, but of boundless exertion of every kind. The cessation of this demand for labour has undoubtedly thrown a larger burden than ever on the parish funds; but long before the peace, the agricultural parishes especially had felt the rapid progress of that intestine mischief preying upon their vitals.

An investigation of the cause why the agricultural districts laboured under this pressure first, and still suffer more severely than the others, will

tend to prove yet more forcibly the connexion that subsists between it and the depreciation of money. It was before observed, that the wages of labour always follow at a very unequal pace the advancement of prices. Pure theory inculcates the natural and necessary tendency towards an equitable adjustment; it leaves the intermediate difficulties and delays out of the question, as frictions in a mechanical problem; and justly condemns the folly of attempting to rectify the inequality by law. But laws, though they cannot rectify, yet may aggravate what is amiss, and retard the cure: and those very frictions and disturbing forces may possibly by care and skill be diminished; at any rate they deserve attentive study, as tending to illustrate the principles on which the several phenomena depend.

Thus the labour of the manufacturer is a transferable stock compared with that of the husbandman. Occasional competition instructs the owner in its value, and it circulates with freedom through those districts where it is most wanted. In other words, the manufacturing labourer has his choice of a market, and of course he obtains his price sooner, than the husbandman who is practically confined to a single spot, and for whose labour there cannot be that free competition which the commercial theory supposes. The local influence

too under which he acts, removes him still farther from the condition of the vender of a commodity, under which relation that theory regards him. The consequence is (what experience abundantly testifies) that every expedient is resorted to by his employer before that of a permanent rise of wages: and as the labourer cannot defer the bargain, he submits to conditions really more and more rigorous, passing indeed under the same or even a higher denomination, and deriving additional facility from this very disguise. At length recourse is had to the poor-rate to supply the growing deficiency: and when once that store is opened, not for medicine but for food, there is no limit to the use made of it: the employer, as may easily be shewn, having strong motives of interest as well as of sordid habit to repair to it, and the labourer, with broken spirits and conscious impotence, being flattered also by the apparent security against absolute starvation which such an indefinite resource offers to his mind.

Among the subordinate causes that conspire towards this melancholy result is the fact, which appears to be well established [d], that a rise in wages is a diminution not of rent, but of profits. Whatever is theoretically true we may be sure is

[d] See Ricardo on Political Economy, chap. 14.

really acted upon by the interested party, however unconscious he may be of the abstract principle, and even unable to comprehend it: and hence another motive is for ever operating with the farmer to keep down the price of labour, and to pay it as far as he can out of the parish fund. On the evils and iniquity of this practice, which has already struck deep root in many large districts of the kingdom, I forbear now to insist; my present object being solely to point out their close and necessary connexion with the depreciation of our currency. How they may best be corrected or alleviated, Parliament will of course make the object of its gravest deliberation. The age is too enlightened to think that a regulation of wages by law can give effectual relief; that Government can create food, or a demand for labour; but Government may remove many obstacles to that principle of self-correction which the analogy of nature teaches us is the universal law of her constitution.

Neither have we any right to complain of that progressive depreciation which is the natural result of the causes before enumerated, and a liability to which, however unsuspected, was really involved from the first in the very nature of money. But the important inference is, and it is that to which the remainder of my Letter will be directed, that if such be the consequences of depreciation,

any *artificial*, any *superfluous*, any *arbitrary* and *coercive* depreciation is one of the worst and most unjust measures which can be inflicted upon the country. If Government cannot stem the torrent, let them at least not add to its force by pouring fresh streams into the channel, and by obstructing those natural outlets through which the over-charged waters are struggling to make their way, and to find their proper level.

In entering upon this part of my subject, it is painful to think, how much of what is obvious and familiar, not only to yourself, but to every man of liberal education, must be repeated in order that the points in dispute may be fairly laid before the reader. The necessity indeed arises from a cause which only the evidence of facts could force on our belief: that positions so elementary, theorems so long established, should have been required to give way before a novel expedient, confessedly adopted under the pressure of an unparalleled emergency. To this measure of temporary policy the science of ages and the plainest dictates of common sense are required to yield. It is not a compliance of the will, but a surrender of the understanding, that alone will satisfy the advocates of this measure. They defend it not as necessary, but as no violation of

legitimate theory. They deny that any evil has arisen from this innovation, and yet with marvellous inconsistency profess a disposition, and even an eagerness, to return to the ancient course. This, I confess, is not the least of those paradoxes which rest on the authority of the present Chancellor of the Exchequer. He stoutly denies that bank paper, and consequently the whole currency of the country, is depreciated. Yet he declares that it is expedient to resume cash-payments as soon as it can be done with safety. If there is no depreciation of the currency, why is it expedient? The larger the proportion of paper in our currency, provided that paper is equivalent to specie, the better. The quantity of undepreciated paper we can keep afloat in the market is the very test of the buoyancy of our credit—a sure token of public prosperity—an index of the amount of displaced specie, which is employed to advantage somewhere else. The only benefit proposed, by making it convertible at the will of the holder, is, that depreciation may never take place; this natural check being fully adequate without any officious vigilance, or any positive enactments on the part of Government, to controul it. But when this check is wanting, there is no security against such an excess as shall cause depreciation: and the only proof that such a depreciation has taken place is

either *the desire of men at home to obtain specie rather than paper, and their readiness to exchange paper for it at a nominal loss*; or, *the estimation in which our currency is held abroad being lower than it would be if it consisted of specie or of paper convertible into specie.*

Both these proofs were offered by the Bullion Committee in 1811, and both were rejected by Mr. Vansittart; the first as not founded in fact, the second as not conclusive if true.

Many other points of subordinate importance were contested in the course of this discussion, some of which I shall have occasion to bring again to your notice, partly as conducive to the main argument, but principally to illustrate the *mode of reasoning* to which the Finance Minister has resorted, and to put it plainly before the public, whether measures which require such reasoning can be well-founded; or whether, if they *can* be better supported, the advocate, who has abandoned the better ground and taken up this, can be safely entrusted with the guardianship not only of the public revenue, but of the good faith and honour of the country, which are deeply involved in all these transactions.

The argument of Mr. Vansittart's opponents was built upon the following simple maxims.

That the legal coin of the country consists of gold

and silver of a certain weight and fineness, one pound of gold being coined into forty-four guineas and a half, and one pound of silver (till the late regulation) into sixty-two shillings, and that the impress of the Mint is an assurance to the public that these proportions have been observed.

That a pound sterling is either twenty of such shillings, or $\frac{2}{44}$ of one of such guineas.

That bank paper is a promissory engagement to pay to the bearer the full nominal amount expressed on the bill, in the legal coin of the country, when demanded.

That if the bank will not so pay the full amount, and if the holder cannot obtain the full amount of legal coin in exchange from other people, but only a *less quantity* than is there expressed, bank paper is depreciated in the estimation of the other party.

That if the holder is willing to exchange his paper at this disadvantage, it is depreciated in his own estimation.

That transactions of this kind to a great extent are carried on through the country.

That the general disappearance of specie, which is undeniable, is a proof that there is a profit in sending it abroad: and that the laws which prohibit exportation of coin are wholly inefficient.

To these simple elements respecting the nature

of CURRENCY, a few must be subjoined on the nature of EXCHANGE.

As every country has a common measure of its own, applicable to all traffic within that country, so in traffic with other countries a common measure is obtained by settling the relative value of the currency of each country one with another.

This relative value depends on the quantity of precious metals contained in their respective currencies: any given amount of the currency of one country which contains the same quantity of bullion with a given amount of the currency of another country, is equivalent to it, and constitutes what is called the *par* of exchange.

If the aforesaid amount in one country should have its intrinsic value lessened, the *par* of exchange will be altered, and a proportionably larger quantity of that currency will be required to restore the equality.

Notwithstanding the *par* of exchange, yet from various causes bills payable in the currency of one country have a *temporary* value greater or less than bills of corresponding amount payable in the currency of another country: that is, they are either above or below *par*.

The exchange is said to be in favour of that country whose bills bear a premium, and against

that country whose bills are at a discount. The holder of bills which bear a discount is however generally content to abide by the loss, rather than actually fetch the bullion from that country in whose currency the bill is payable at *par*—but when the loss would be considerable, so as to exceed the expense of transmitting bullion, he will fetch it. In other words, he will send the bill to that country with an order to lay it out in bullion to be consigned to him.

In practical questions of this kind, the case is stated, for the sake of perspicuity, with greater simplicity than occurs in real life. The *dramatis personæ*, if I may be allowed the illustration, are as few as possible, in order that the elements of the plot may be more distinctly seen. And if one or two individuals only were concerned, as the case adduced seems to represent, we might suspect a variety of motives to operate that might obstruct the regular execution of these proceedings, or even the actual advancement of their own interests. But these transactions are in reality conducted on a grand scale: a numerous class of intermediate agents make it the sole business of their lives to watch the relative value of bills, which is for ever fluctuating, and to derive profit from the exchange, at the same time that the real holder is accommodated by having the affair taken off his

own hands. The intercourse thus maintained even in time of war between all commercial countries is active and regular: and we may as well suppose, that in a traffic open to all men between London and Liverpool, one man would long be allowed to make exorbitant gains arising from a commodity which he buys publicly in one place and sells in the other, as that the same people would be suffered without competition to send bullion from a country where it is bought at *par*, to be exchanged for bills in another at an enormous profit, far exceeding the cost and risk of transmission. We assume it therefore as an element in our reasoning, (profit being the sole principle of commercial dealings, and a free competition existing among a multitude of intelligent people all intent upon the same object,) that the profit cannot long be so great on the exchange of a bill as to exceed the cost of the transmission of bullion. This cost, even in time of war, when freight as well as insurance is dearest, has been found between London and Hamburgh never to exceed 7 per cent. The same must be regarded therefore as the limit to the unfavourable rate of exchange even in the worst times: for if it long exceed that measure, it must induce dealers either to buy up the bills for the purpose of sending them to their own country, to be changed into bullion; or it must induce the

holders of bullion in that country to send it abroad to buy up these bills at so great an advantage. In either case the competition must be so great (always increasing in proportion to the profit) as speedily to reduce the traffic within the limits above mentioned.

In a traffic of this sort too, the level is found *almost immediately*. Other commodities require some time to produce them—and the fortunate holder of large quantities may make great profits before an adequate competition can grow up: but in these the time and labour required for the production count for nothing. The commodity is always afloat, waiting only the impulse of profit to determine its direction to the best market.

It is common indeed to represent the balance of payments between two countries, or that amount by which the exports of one exceed in value its imports from another, as actually made in bullion. But this is not the fact; and it is material to shew it, as Mr. Huskisson has done[e], in his valuable treatise on the Depreciation of our Currency. There is in fact no such thing as a final settlement between two countries at the end of a year, and a balance struck as between two individual dealers: the dealing always goes on, the low rate of ex-

[e] Question concerning Depreciation, p. 49—53.

change naturally drawing goods from the country whose bills are at a discount to redeem those bills, or to pay off that debt which is denoted by a fall in their bills, and checking the importation of them while the discount continues. There is thus a continual tendency to restore the equilibrium; and in a natural state of things, the oscillation never departs far from the mean: if it does, its great excess receives an instant check by the actual transmission of bullion; which is a commodity always set in motion by the slightest advantage attending it, being the most portable, and requiring less preparation than any other, and being the least liable to risk from the caprice of custom.

Another point assumed in this reasoning is, that bullion and coin are virtually the same thing in all such transactions. To the foreign merchant the *matter* not the *form* of the commodity constitutes its value. To him a pound of coined gold will not be worth more than a pound of gold in bars. At home however it may be thought there is some difference: and undoubtedly for home use, the coin is preferable, and its value is slightly increased by having passed through the Mint. This increase of value has enabled many countries to take what is called a seignorage or toll at the Mint: that is, he who carries gold to be coined receives back from the Mint something less than he brought, in

consideration of the increased value thus given to the commodity. In our own Mint this practice does not prevail: the same quantity precisely is delivered out coined, which was brought uncoined; the only loss the owner sustains by the process being that of the interest of the money during the delay of coinage. It should seem therefore that bullion with us can never be long *below* its value in coin, i. e. below what is technically called the Mint price; because it is so easily convertible at the will of the owner into the more valuable form.

But it may be said, that bullion will often be *above* the Mint price, because when once turned into coin it is, as it were, imprisoned: it can neither legally be turned back into the form of bullion, nor legally be exported. Such undoubtedly is the law of the land. But there is no fact more certain, than that these laws are wholly inefficient whenever a profit attends the violation of them. No man of the slightest experience or knowledge in mercantile affairs is ignorant of the fact: no man, except for the sake of argument, supposes it to be otherwise. Ties of law, and even of religion, it is perfectly notorious, are altogether useless. If the coin is not smuggled abroad, it is melted into bars, and sworn off as foreign gold for exportation. Large dealings, limited only by the demands of trade,

of both kinds take place: and although there is no doubt that clandestine exportation is the main channel through which the traffic is carried on, yet the form of an oath for the purpose of rendering melted coin legally exportable is too well known to be but a slight obstacle—an obstacle reducible, like all other matters of trade, to an average expressed in money. Practically therefore it cannot interfere with the correctness of our conclusions, whenever the profit of sending bullion abroad is such as to exceed that average, which has never been rated at more than .5 per cent.: and the clandestine exportation of coin which involves no perjury, but merely runs the risk of seizure, is practised to a much greater extent.

Now it was proved during the enquiry made by the Bullion Committee, that foreign exchanges had for a long time been permanently unfavourable to this country, in a degree far exceeding the limit above mentioned, namely, the cost of remitting bullion, and which by practical men was stated to be rarely more than 5 per cent. even in time of war. In the case of Hamburgh in particular, the exchange had been as low as 29.8, which denotes a loss of about 17 per cent.: and for a long time previous to the enquiry, the discount, although varying, might be fairly taken at 15 per cent.

The argument therefore for the depreciation of our currency was simple and clear. As the sending of bullion to Hamburgh would save this discount, and the expense of sending never at the utmost exceeded 7 per cent. a merchant would naturally have recourse to that mode of payment rather than suffer so great a loss. But if he attempted to do so, he found that to buy bullion in England with bank paper would involve him in as great a loss as the discount of his bill. For instance, that to obtain bullion equal in weight to 100 guineas, he must give bank notes to the amount of 112, 115, or even 120 guineas, according as the case might be. This then was another measure of the depreciation of the paper as compared with coin: for no one pretends that 112, 115, or 120 guineas *in specie* would ever be given to procure gold equal only to 100 guineas[f].

[f] It should always be remembered that the depression of the exchange is not proposed as a *sole* test of the depreciation of currency. There being two causes which regulate the exchange, viz. the balance of payments, and the intrinsic value of the currency, these may operate either in conjunction or in opposition to each other. In the first case, the rate of exchange will be as their *sum*, in the second as their *difference*. If for instance the balance of payments be 4 per cent. against us, and the currency also depreciated 4 per cent. the depression of the exchange will be 8 per cent. If the balance of payments be 4 per cent. in our favour, and

The reasoning of Mr. Vansittart against this argument is curious. He does not deny that if guineas were to be had, they would be sent out to save this discount, but he reminds us that it would not be *legal* to do so. The fact is admitted on all hands, that coin *will be* exported in such a state of things, and he himself states it, and reasons upon it again and again: but he says it *ought not* to be so, and seems to think this an answer to the proof above adduced of the difference of value in our paper and our coin. Paper cannot purchase bullion except at a considerable loss. Coin will purchase it at little or no loss. Coin therefore is more valuable than paper. No, says Mr. Vansittart, if the law were enforced, coin could not be so employed. But *is* the law enforced? *Can* it be enforced? Mr. Vansittart himself shall answer:

"The Bank has sometimes been obliged to purchase "gold at a considerable loss; but this has always hap-

the currency depreciated as before, the quantities will neutralize each other, and the exchange will be at *par*. If, lastly, the balance of payments be 4 per cent. in our favour, but the depreciation of currency 20 or 24 per cent. the depression of the exchange will only be as 16 or 20 per cent. In this manner the premium given in bank paper for guineas, which often *exceeded* the nominal rate of exchange, is easily accounted for; the balance of payments, or the real exchange, being at that time in our favour.

" pened in consequence of the foreign demand for gold " draining away our coin by clandestine exportation." *Speech on the Bullion Resolutions*, 1811, p. 37.

" When bullion is a more advantageous mode of re- " mittance than bills, gold bullion is sought after for " exportation: exportable gold rises higher than that " which cannot be legally exported, and is first sent " abroad. A clandestine or fraudulent exportation of " coin, or of ingots produced from coin, soon follows." p. 39.

" Since 1809, a further depression of the exchange " has taken place, and a greater quantity of coin has " gone out of the country." p. 50.

These passages all lie within a few pages of one another. And yet in the same speech, Mr. Vansittart does not think it beneath himself to address the following language to the House, and afterwards, by means of the press, to the country at large.

" Do the Committee then mean that the law will be " ineffectual, and that a real though clandestine ex- " portation of coin will take place? I will not do the " Committee, I will not do the learned gentleman, the " injustice of suspecting they can mean to countenance " a system, which gives the *illegal* a decided advantage " over the *fair* dealer, which habituates and hardens " the trader in the evasion and breach of the law; " nay, which is carried on by direct fraud and perjury." p. 5.

To affect all this moral sensibility about a fact

which is perfectly notorious—which is by every writer on the subject assumed as necessary, and incapable of being prevented—nay, which he himself for his own argument presently after assumes and reasons upon—is something worse than solemn mockery. The very term *exchange* indeed has no meaning, except on the supposition of the transaction which is thus awfully deprecated. It is not exchange of commodities, nor exchange of bills, but exchange of the currency of one country for the currency of another, which the name originally imports —which is the basis of all commerce between civilized nations—and without which no intercourse but that of barter could take place among them.

Let it be observed moreover, that for the sake of heightening the glow of his description, Mr. Vansittart calls the clandestine exportation of coin a *fraud*. In what sense the word fraud is here used I do not perfectly understand. When melted coin is *sworn off* for exportation, most probably there is perjury; although even here it by no means follows that the exporter knew the gold to be melted down from coin: but in the case of *clandestine* exportation, the revenue is not *defrauded:* the gold runs the risk of seizure, it is true, but *no duty* is withheld from Government, and certainly no *fraud* is practised on individuals. To induce a man to take less than the

value of his property under pretence of giving him an equivalent, is much more like a fraudulent transaction; and the motto *Mea fraus omnis* would better suit the author of such a measure, than the imputation of fraud on those whom he tempts by an exorbitant profit to violate or evade the law.

The whole however of Mr. Vansittart's argument is built on this foundation: and he prevailed upon the House of Commons to sanction it, by adopting a resolution[f] as contradictory to Mr. Horner's statement, upon which in reality it has no bearing.

Mr. Horner had argued, that if bank paper was worth as much as coin, it would buy gold as well as coin: but bank paper could not be so employed except at a great loss—as much as 15 or 20 per cent. —while coin was so employed freely, and was itself besides sent out of the kingdom instead of bullion so rapidly, in consequence of this enormous profit, that it had totally disappeared.

Mr. Vansittart's *resolution* declares, that in public estimation bank paper and coin are equivalent, *except where this object is in view*: that is, excepting

[f] *Resolved*, That the promissory notes of the said company have hitherto been, and are at this time, held in public estimation to be equivalent to the legal coin of the realm, and generally accepted as such in all pecuniary transactions to which such coin is *lawfully* applicable.

the very proof which is offered of the point in question.

By this time it had become perfectly notorious that agents were employed in every town of the kingdom to collect guineas by offering a premium in bank paper. A law had passed rendering the transaction penal, and some convictions had taken place. The traffic however was not in the slightest degree interrupted. The dealers collected gold from tradesmen, who sold their goods at a cheaper rate when paid in specie. The profit was thus divided among several, according to the number of hands through which the coin passed before exportation—the main risk remaining only with the exporter, while the intermediate dealings were never brought to light except by spies and informers. Of the fact, and of the motive for the fact, there could be no doubt [g].

Yet Mr. Vansittart asks his opponents in Parliament whether *they* have ever found this difference in price. No instances, he avers, have been *produced*—therefore we are not to suppose there

[g] "From the days of Locke till the present time I have "no where seen the fact disputed. It is by all writers indis- "criminately allowed, that no penalties can prevent the coin "from being melted when its value as bullion becomes supe- "rior to its value as coin." *Ricardo's Reply to Bosanquet*, p. 42.

were any. All the liquor has escaped, and the cask is empty: yet if we cannot point out the leak, we have no right to say that the vessel was defective.

But where is the candour of thus pressing the *argumentum ad hominem*, when the question is not whether the thing be creditable, but whether it be done? Individuals abstain from doing many things perfectly lawful *in foro conscientiæ*, but which from various motives they do not choose to engage in. Either it is not in their line of business, or there is a prejudice, or a risk, or a trouble, or an odium attending it. Money dealing is not the most respectable calling, any more than dealing in old clothes. But they may both be exercised with a safe conscience: and even if we ourselves should have scruples of conscience, yet if there are always people to be found who do this work, where is the use, where, I may say, is the honesty, of pretending that it is not done as certainly and as regularly as if we were engaged in it ourselves? *Who* does it, is a point perfectly indifferent to the argument.

The next ground Mr. Vansittart takes up is, that the continuance of an unfavourable exchange against a country, far exceeding the expense of transmitting bullion, is no proof of a depreciated

currency in that country: and he abounds with examples in which this anomalous mode of dealing, according to him, prevailed. At a time when our paper was convertible into specie at the will of the holder, he contends that similar depressions of the exchange have been known—that during Queen Anne's wars, for eleven years together, the exchange was depressed even to a loss of 12 and 13 per cent. when the expense of conveying specie could not amount to 3 per cent. [h]—that for some years after the American war the exchange with Hamburgh continued from 5 to 8 per cent. against England, when the expense of sending specie could not have been more than 5 per cent. [i]—that in 1760, the exchange between London and Hamburgh was near 8 per cent. in favour of London, the expense of importing gold from Hamburgh being little more than 3 per cent.: yet there was no paper currency at Hamburgh at that time or since [k].

"*The very same year*," however, continues Mr. Vansittart, who seems to think the effect of his argument heightened by contrast, "*the very same* "*year* the exchange was in November 6 per cent. "against England." That the alteration should have

[h] Speech on the Bullion Resolutions, p. 111.

[i] Ibid. p. 115.

[k] Ibid. p. 19.

taken place *within a few months*, is as strong a proof as could be desired of the soundness of the principle we maintain. That excessive depression naturally corrected itself: and the reaction was so violent as to carry the excess to the other side; enormous gain having the natural effect of drawing so many competitors, as for a short time to reverse the market.

Indeed if a hundred such cases had been produced, in which, according to the statement, a great profit presented itself by resorting to a simple and common expedient, which however no one adopted —if this relative position apparently continued for several years between two of the greatest, most intelligent, and most active trading cities in the world, containing thousands of persons whose sole business it is to make a profit by sending to each other whatever commodity will find a good market, and to whom nothing is more familiar than such transactions —what would the conclusion of any reasonable man be from such a representation? Not surely that disinterestedness, or apathy, or ignorance could exist to such a degree—but that there must be some inaccuracy or some defect in the statement—that all the circumstances of the case were not before him—that it was a problem to be solved, not a fact to be recorded, and produced in evidence as occasion might require, to illustrate the nature of com-

merce and political economy. If the whole case were thoroughly sifted, he would say, it would probably turn out that no profit could be derived from the transaction, for if a profit to that extent could be made, the transaction *must* have taken place. To suppose it otherwise, is to give up the great and only fundamental principle on which all commercial proceedings rest. To suppose that a mode of dealing attended by loss would be preferred by a merchant to one attended by profit, when both are equally practicable, is a perfect absurdity—and nothing can be more puerile than to support an argument by such a case, however useful it might be to propose it to a student in the theory and practice of commerce as a problem for solution.

Yet not only Mr. Vansittart, but a merchant of high character and abilities has resorted to the same mode of reasoning. Mr. Bosanquet follows up the whole of Mr. Vansittart's system, even to the point of declaring that the standard of our currency is *that pound*, whatever it may be, in which Government pays the interest of the national debt. At present I shall only produce, both as a specimen of the reasoning of these gentlemen, and of the mode of refutation that must be resorted to, the case alledged by Mr. Bosanquet of an unfavourable exchange with Hamburgh and with Paris. As a single example, it may be worth while

to state the case in some detail, together with Mr. Ricardo's analysis of the riddle.

Mr. B. observes, that in the years 1764 to 1768, the exchange with Paris was 8 to 9 per cent. *against* London—at the same time the exchange with Hamburgh was during the whole period 2 to 6 per cent. *in favour* of London. Here then appears to be a profit of 12 to 14 per cent. for the expence, in time of peace, of paying the debt to Paris with gold from Hamburgh—at least 8 or 10 per cent. above what it would cost in fact. Again, the exchange with Hamburgh in favour of London continued several years such as to constitute a premium after deducting all expences of 5 per cent. on the importation of gold into England: yet the exchange was not rectified thereby. Thirdly, in 1775, 6, and 7, the exchange with Paris was 5, 6, 7, and 8 per cent. against London, when half the amount would have conveyed gold to Paris, and one fourth would have paid the debts of Paris at Amsterdam.

Here Mr. B. leaves the problem, implying either that merchants did not see the profit, or did not regard it: whereas the only rational conclusion from such a statement is, that there must be some circumstances behind, which if known would account for the phenomenon upon the ordinary principles of trade. Mr. Ricardo undertakes the in-

vestigation, and by the aid of a clear intellect joined to a perfect knowledge of mercantile affairs, unravels the whole mystery.

As to the exchange between Hamburgh and London, he shews, first, that Mushet's tables, on which Mr. B. builds his calculation, are, by the author's own confession in a subsequent edition, erroneous. Instead of 33.8, the *par*, Mr. Mushet says, should have been 34.11¼. Secondly, because gold is the standard of this country and silver that of Hamburgh, and the relative value of gold and silver is liable to variation, the par of exchange can never be absolutely fixed: and upon examining the cases in question, the difference arising from this cause is found to have been full 3 per cent.—making the real par 36.1$\frac{7}{10}$ instead of 33.8, as stated in the tables of Mushet's first edition.

Thirdly, this correction of the author's, on account of the par of silver against silver, Mr. Ricardo finds upon consulting Kelly's table to be too low by $\frac{3}{8}$ per cent.

Fourthly, the tables Mr. B. has consulted make no allowance for what is called *usances*, that is, interest for 2½ months, which it has been the invariable custom to allow in bills drawn between London and Hamburgh—making a further difference of 1 per cent.

The sum of these several corrections reduces the

exchange within the limits supposed by the Bullion Committee, namely, the expense of transmitting bullion from one place to the other. By a similar process the excess in the exchange between Paris and London is shewn to be nominal and not real, the French mint taking a seignorage of 8 per cent. that is, raising the nominal above the real value of the coin in that proportion, which of course must be struck off when it is considered as exchangeable with a foreign currency.

Another paradox, much vaunted by the minister, and supported like all the rest by Mr. Bosanquet—viz. that gold has often been much higher than the mint price for a long time together, during a sound state of our currency, is made to fall before the same rigorous and exact investigation. But I forbear to enter any farther into these computations—essential as they are to the argument, and highly illustrative of the abilities of the writer who stepped forward to vindicate the truth. Only let me be permitted to remark, that this mode of reasoning, once exposed in the way it is, ought to divest its authors of all claim to our confidence, and that even when the solution is not at hand, yet the application of the principle above mentioned, whenever it is applicable, ought in all reason to be accepted as a sufficient demonstration. *Profit* is in mercantile dealings, what *gravitation*

is in the system of the universe: and no problem is worth listening to, which supposes the absence of that universal principle.

Before we quit the subject however, it may be well to subjoin Mr. Ricardo's own reflections upon Mr. Bosanquet's argument, which he has analyzed with so much patience.

"I cannot help here observing, that it must "excite astonishment, that a British merchant "should seriously believe it possible, that, in time "of peace, a net profit, after paying all expences, "of from 10½ to 12½ per cent. should have been "made by the exportation of gold from Hamburgh "to Paris during four years—a profit, which, from "the quick returns, would have enabled any person "engaging in such undertakings to have cleared "more than 100 per cent. per annum on the "capital employed; and that too in a trade, the "slightest fluctuations of which are watched by a "class of men proverbial for their shrewdness, "and in which competition is carried to the greatest "extent. . . . . That facts such as these should be "brought forward to invalidate a theory, the rea-"sonableness of which is allowed, is a melancholy "proof of the power of prejudice over very en-"lightened minds."

The astonishment here expressed cannot exceed my own, at reading in the speeches of a Chancellor

of the Exchequer, published by himself, a *general scarcity*[l] of gold asserted, and offered as an explanation of the high price of bullion in England, as if gold were, like grain, a thing of annual consumption and reproduction, and liable to be affected by an unfavourable season; or as if his readers did not know that every commodity goes to that market where it is most in demand—and that where the laws of a country render it useless, it will neither be brought to it nor remain there. It was under the influence, I presume, of the same counsels, that a gold coinage of sovereigns lately took place—that people wondered at their leaving us almost as soon as sent into circulation—and then suggested this as a proof that the time was not yet come for a resumption of cash-payments. Will the time ever come, if we wait till the stream of commerce has ceased to flow in the channel of profit?

From the same high authority we are told also, that "if our currency had in fact become of less "value, this circumstance *could not possibly* have "occasioned a fall of the exchange"—and "that a "diminution of the value of currency at home may "have the effect of improving the exchange, but *can-* "*not by possibility depress* it[m];" doctrines, which

[l] Speech on the Bullion Question, p. 22.

[m] Ibid. p. 34, 35.

may be convenient for the purpose of forcing a temporary measure on the public, but which no man, one would think, who values his reputation as a financier would wish to place on record and submit to their cooler judgment, as his deliberate opinions.

They are convenient moreover as introductory to the revival of a policy, often practised in ruder times, but which for more than two centuries has not been suggested in our own, that of a *debasement of the coinage.* If ever attempted in this country, it will of course be proposed under the more courtly title of *lowering the standard*, hints of which have certainly been thrown out by the advocates of our paper-system, but which I trust there is yet public virtue enough remaining in the country to reject with indignation, if any minister should ever be so hardy as to advise it.

That these fears are not wholly without foundation will appear by adverting to the language Mr. Vansittart has held on the subject of a *legal standard*, a part of his argument which deserves more serious attention than has hitherto been given to it, upon constitutional grounds as well as on the common principles of justice and honour.

The first argument indeed against a fixed standard may safely be left to the judgment of

my readers, without any attempt at refutation. Because the mint weight of a guinea is 5 dwts. 9½ grs. but a guinea is considered by law to be good currency till it is worn below 5 dwts. 8 grs., Mr. Vansittart asks, Which am I to regard as the *fixed standard*[n]? a specimen of verbal cavilling, which for the credit of his station had better have been omitted, but which for the credit of one's own cause it is always satisfactory to see on the adversary's side.

Having established this notable position, that "the legal coin of the country never possessed a "value estimated by a fixed weight of gold or silver "bullion[o]," he infers very logically that bank-notes therefore, which represent this coin, never had a standard value, and therefore cannot have *lost* it.

Perhaps I ought not to call this the *first* argument, for I perceive a little before Mr. Vansittart had contended that our silver currency also had no standard, because for any sum not exceeding 25*l.* it was legal tender however worn, and because of payments made in actual cash, at least 999 in 1000 are under that value. It is a good rule in reasoning to estimate arguments, as prudent men estimate payments, *pondere non numero*—a rule which

[n] Speech on the Bullion Resolutions, p. 13.

[o] Ibid. p. 14.

ought perhaps to have led to the disregard of this passage altogether; for I cannot believe that any person seriously examining the question can accept it as a *proof* or even a *presumption* that we have no legal standard, because the law declares that in no instance shall a gold coin fall below it more than to a certain point, and because having provided that *small* payments only shall be made in silver coin, (which cannot therefore affect foreign exchanges,) it does not specify the loss of weight which shall be sufficient to stop *their* currency. Only let it be remembered that even in the case of silver coin, it is more proper to say, that it is legal tender *however worn*, than, as Mr. Vansittart says, *at whatever weight*; because the original weight, even of them, is as fixed as any thing human can be; and no English coin was ever legally current that did not first issue from the mint.

Having thus, to use his own words, "overturned "the basis" of Mr. Horner's Resolutions, Mr. Vansittart declares himself prepared to prove, in opposition to the doctrine of a fixed standard of current coin, *the prerogative of the Crown to regulate the standard* "by a reference to the soundest legal "authorities, and the repeated and acknowledged "practice of ages [p]."

[p] Speech on the Bullion Resolutions, p. 68.

It is this assertion, followed up by a Resolution [q], which, to my sorrow as well as surprise, obtained the sanction of the House of Commons, that appears to give the question a most important character. For if the prerogative of the Crown be such as to make any quantity whatever of the precious metals, according to pleasure, or any substance, no matter what, lead, paper, or leather, stand for a pound sterling, this certainly is "a "logic which leaves no man any thing that he can "call his own"—which subjects every man's property to be modified or even extinguished at the will of the Sovereign.

Mr. Vansittart does indeed say, that he and his colleagues have no intention to propose this exercise of the prerogative to relieve the wants of Government; and he even goes on to admit, that "during the existence of a public debt, the alter- "ation of the standard of money would be an act

[q] *Resolved*, That the right of establishing and regulating the legal money of this kingdom hath at all times been a royal prerogative, vested in the Sovereigns thereof, who have, from time to time, exercised the same as they have seen fit, in changing such legal money, or altering and varying the value, and enforcing or restraining the circulation thereof, by Proclamation, or in concurrence with the Estates of the realm by Act of Parliament: and that such legal money cannot lawfully be defaced, melted down, or exported.

" of bankruptcy, and a direct fraud on the public " creditor, *as well as every private creditor*." This, to be sure, is some ground of comfort; for if the standard be not altered, till the whole national debt is paid off, we and our children have little, it is presumed, to fear upon that account. But why then should the topic have been introduced? What bearing has it upon the point in debate? If this power must be in abeyance while the public debt continues, it is perfectly nugatory to advert to it, when the question is, Does not the Government at this moment defraud the public creditor by paying him interest in a depreciated currency—by requiring him to take bank-notes in payment, or nothing?

The creditor says, Pay me in legal coin. The answer is, Bank-paper is as good as coin. The creditor denies it, and contends that bank-paper is notoriously of less value than coin, and to such a degree, that Government has itself been driven to make the sale of it for less than its nominal value in coin, penal.

To what purpose, I repeat, is it, to reply to this argument, as Mr. Vansittart does in his first Resolution, that the King has the power of regulating

[r] The injustice is the same to every private creditor whether there be a public debt or not.

the *standard of our coinage?* He surely does not mean to call bank-paper our coinage. Indeed part of his argument is, that bank-paper is *not* made legal tender, and that the public creditor may wait, if he pleases, till the Bank Restriction Act is repealed, for his dividends. How then is this maxim of the King's prerogative to be applied? The *coin* is not altered in value. It is the *paper* that is depreciated. Unless therefore he means that the king's prerogative can make that *paper* legal tender, the assertion has not the slightest connexion with the subject in dispute.

Is it then meant to display the forbearance of ministers in not having put forth the full strength of the crown, and to warn men how they fret at this petty grievance, when so much greater a burden might have been laid upon them? Or is it thrown out as a sort of challenge on a point of constitutional law, curious indeed and important, though irrelevant to the subject in hand?

Of the *importance* of such a declaration from a minister of state there can be no doubt. And it is well that the declaration was met on the spot, by one of the ablest and most luminous answers that a question of constitutional policy ever called forth. I allude to the speech of Mr. Canning, which not only unravels with singular grace and perspicuity the whole sophistry of his opponent's reasoning, on

the subject of *currency* and *exchange*, but has placed this doctrine in particular, which wears so ambiguous and menacing an aspect in the Resolution of the House of Commons[r], upon its true grounds both of law and policy. Whoever has read the two speeches of Mr. Canning on this subject, as published by himself, will perceive how largely I am indebted to them for the matter of this pamphlet—a debt which I shall perhaps best discharge by endeavouring to extend its obligation as widely as possible to others.

The Resolution asserts the King's prerogative to "alter and vary the value of the legal money of "the kingdom either by Proclamation, or in con-"currence with the Estates of the realm by Act "of Parliament." The word *value* must here be understood to mean the *current value*—that rate according to which debts and pecuniary contracts may lawfully be discharged; for, as to the *intrinsic value* of the metal being affected by the edict of a Sovereign, or an Act of Parliament, it is an idea which none but such financiers as the courtiers of Canute can be supposed to entertain.

As Mr. Vansittart did not think it necessary to produce any legal authorities to this point, the fol-

[r] See page 67.

lowing extract from Judge Blackstone may serve to throw some light upon it.

"The denomination, or the value for which the "coin is to pass current, is likewise in the breast "of the King; and if any unusual pieces are "coined, the value must be ascertained by pro- "clamation. In order to fix the value, the weight "and the fineness of the metal are to be taken "into consideration together. When a given "weight of gold or silver is of a given fineness, it "is then of the true standard, and called sterling "metal . . . . . and of this sterling metal all the "coin of the kingdom must be made, by the sta- "tute 25 Ed. III. c. 13. So that the King's "prerogative seemeth not to extend to the debas- "ing or enhancing the value of the coin below or "above the sterling value; though Sir Matthew "Hale appears to be of another opinion. The "King may also, by his proclamation, legitimate "foreign coin, and make it current here, declaring "at what value it shall be taken in payments. But "this, I apprehend, ought to be by comparison "with the standard of our own coin; otherwise "the consent of Parliament will be necessary[s]."

About the authority of an Act of Parliament there can be no question. It is the authority of

[s] Commentaries, b. i. c. 7. §. 4.

the King, without Parliament, which Mr. Vansittart seems desirous of representing, as competent to alter the current value of our coin; that is, to compel his subjects to take it either at the *same rate* when its real value is lessened, or at a *higher rate* when its real value remains the same. If the Resolution does not mean this, it means nothing. But this is precisely the same thing, as taking his subjects' money without their consent. For the debts and engagements of Government may thus be discharged (as often has been done by despotic sovereigns) with a less quantity of the precious metals than was really due. To do this, Mr. Vansittart justly observes, is a *direct fraud* on the public creditor. Does he mean then that the Sovereign has a *right* to commit this fraud? That the King cannot *tax* his subjects without the authority of Parliament, but that he may *cheat* them by his own authority? So monstrous a proposition could hardly have been endured, much less sanctioned by the House of Commons. Neither do I think so ill of the author of this Resolution, as to suspect him of entertaining it.

Yet one is here placed in a perplexing dilemma. For if he goes no farther than Blackstone, who thinks "the King's prerogative does not extend to "the debasing or enhancing the value of the coin" —if he means no more than that the authority

either of an Act of Parliament or of a Proclamation is necessary to give currency to the coins, their absolute and relative value being previously settled according to strict justice, what is the import of that "reference to the soundest legal authorities "and the repeated and acknowledged practice of "ages [t]," which is announced with so much solemnity in his speech? and to which moreover he thinks it expedient to subjoin a declaration, both on his own part and on that of Mr. Perceval, that they have *no intention of proposing an alteration in the standard of our money?* Why this reference to the soundest legal authorities, if he means nothing more recondite than Judge Blackstone's Commentaries?—and why this mention of *repeated and acknowledged practice*, if he means only the practice of the last two centuries, which no one ever arraigned, and which certainly has no connexion with the subject then under discussion, the forced circulation of *bank-paper?* Surely the King's prerogative has nothing to do with the paper of the bank.

It is well known to all who have made enquiries on the subject, that although the coin has at several periods of our history been debased, so that from a pound of silver, which formerly was

[t] Page 68.

coined into twenty shillings, sixty-six shillings are now coined, yet the standard has never been lowered from the 43d of Eliz. when sixty-two shillings were coined out of the pound, until last year, when the number was increased to sixty-six; the recent measure being justified on the score of convenience, and as not affecting the general rate of our currency, which ever since the year 1773 has been measured by the standard of gold: and the standard of our gold coin still remaining unaltered, the legal tender in silver being also reduced to forty shillings, it was admitted on all sides to be no encroachment on the principle of a permanent standard of currency. Does then Mr. Vansittart mean by this appeal to "repeated and acknowledged "practice," to propose the arbitrary practice of our Sovereigns prior to the reign of Elizabeth—practice which has been discontinued not only since the Revolution, but which even the Stuart princes in all their difficulties never dared to imitate—does he propose this as evidence of the King's prerogative at the present day? If he does, my answer to his doctrine would be no other than that of Bishop Andrewes to King James, "I think your "Majesty has a right to take my brother Neale's "money, because he gives it, but he has no right "to give away mine."

The authority of Sir Matthew Hale, which

Blackstone seems to think inclining the other way, is reduced almost to nothing by his own words, as quoted by Lord Liverpool in his Treatise on the Coins of the Realm.

"It is neither safe nor honourable for the King "to *imbase his coin below sterling*: if it be at "any time done, it is fit to be done by the assent "of Parliament:" and his opinion even of such a transaction is pretty unequivocally expressed in these words, "*fieri non debuit, factum valet*[u]."

Notwithstanding all this, notwithstanding the forcible appeal made at the time to the constitutional feeling of the House, the Resolution was permitted to stand the first in that series[x], which was brought forward to support the circulation of bank-paper. It was permitted by the same assembly who objected to Mr. Horner's Resolutions, which contain the clearest and most concise exposition of the principles of our currency that has ever been promulgated, that it did not become the legislature to vote abstract propositions however true, and who yet place on their journals one so abstract, that it has confessedly no connexion either with the Resolutions that follow, or with the occasion out of which the discussion arose.

[u] Sir Matthew Hale's Pleas of the Crown, p. 194. fol. ed.

[x] See Appendix, No. II.

In its only intelligible sense, it contains the plainest implication of the Sovereign's right to the property of his subjects, which has ever been hazarded in modern times. And on that account it is well that a firm stand was made by one member of the House, not against the measure of bank-restriction, which perhaps the circumstances of the country rendered expedient, but against the doctrines and reasons by which it was defended. These doctrines struck at the root of all sound political economy, of our constitutional privileges, and of our public honour and good faith. It will not, I am sure, be unacceptable to my readers if I produce, from one of the speeches delivered on this occasion, not the most brilliant passage, but a passage which places in the strongest light the true merits of the case, and the grounds of the speaker's opposition to Mr. Vansittart's Resolutions.

"In addition to these motives of policy, there "are, as I have heard this night, not without asto-"nishment and dismay—considerations of jus-"tice, which preclude any systematick reduction "of the amount of our paper currency. Such a "reduction, it is argued, would change the value "of existing contracts, and throw into confusion "every species of pecuniary transaction, from the "rent of the great landed proprietor down to the "wages of the peasant and the artisan. Good

"God! what is this but to say, that the system of "irredeemable paper currency must continue for "ever? What is it but to say, that the debts in- "curred, and the contracts entered into, under "the old established legal standard of the cur- "rency, including the debts and contracts of the "State itself, are now to be lopped and squared "to a new measure, set up originally as a tempo- "rary expedient; and that the sacredness of publick "faith, and the obligation of legal engagements, "are to be conformed to the accidental and fluctu- "ating derangement, and not to the antient and "fixed rule, of our currency?

"If this be so, there is indeed no hope that we "shall ever return to our sound and pristine state.— "This objection is of a nature to propagate itself "indefinitely. Every day new contracts must ne- "cessarily be made; and every day successively "(as it is of the essence of depreciation to go on "increasing in degree) at rates diverging more and "more widely from the real standard from which "we have departed. Every day, therefore, must "interpose additional impediments to a return to "the legal standard. Never did the wildest and "most hostile prophesier of ruin to the finances of "this country venture to predict that a time should "come, when, by the avowal of Parliament, no- "minal amount in paper, without reference to any

" real standard value in gold, would be the pay-
" ment of the publick creditor. But still less
" could it ever be apprehended that such a system
" was to be built on the foundations of equity and
" right;—that it would be considered as unjust to
" give to the paper creditor the real value of his
" contracts in gold, but just to compel the creditor
" who had trusted in gold, to receive for all time
" to come the nominal amount, whatever that
" might come to be, of his contract in paper.

" This proposition appears to me so monstrous,
" and shows so plainly to what an extravagant and
" alarming length we are liable to be hurried,
" when once we have lost sight of principle and
" given ourselves up to the guidance of expediency,
" that I am sure this House ought to lose no time
" in pronouncing its opinion as to the maxims by
" which, for centuries, the currency of this country
" has been preserved in eminent purity and inte-
" grity; and in declaring its determination to
" acknowledge no others in the theory of our
" money system, and to look to a practical return
" to that system, not only as advantageous to the
" State, but as indispensable to its justice and its
" honour [y]."

When I perceive this tone both of sentiment and reasoning preserved vigorously throughout,

[y] Mr. Canning's Speech, p. 71—73.

the speaker never ceasing to profess that the practical measure may still be necessary, and therefore that he is not prepared to vote against it, but protesting earnestly and eloquently, and with a masterly knowledge of the subject, against the false and fatal grounds on which its advocates defend it—and then mark the reception which this line of conduct met with from both sides of the House, I recognize a melancholy instance of the feeble influence of truth, of reason, or even of eloquence, when unaided by the co-operation of party. Mr. Canning's support was treated with scorn by the author of the Resolutions against ministry, because he would not adopt the concluding proposition, fixing an absolute period of two years for the resumption of cash payments. While on the other hand Mr. Vansittart indulged in what doubtless appeared to himself the most biting sarcasms, on the inconsistency of a man who could adopt the theoretical opinions of his adversary, and yet support his own practical measures—which he compared to "voting for a "conclusion that contradicts the premises." By the same ingenious process it would appear, that he who votes for the suspension of the *Habeas Corpus* Act, must either deny the existence of the constitutional privileges therein declared, or that if he maintains these, he acts inconsistently in consenting to a suspension of them under any circumstances.

But the right honourable gentleman's system of logic, like his finance, sets all precedent at defiance. Thus, having wound up his speech in a note of triumph with a sketch of the growing wealth and flourishing condition of the country, he denies that this wealth can be *fictitious*, because it shews itself in works of improvement, such as three new bridges over the Thames, &c. and "to call "these improvements *fictitious* would be an out-"rage to common sense." What faculty is outraged by this species of deduction I leave you, Sir, and my readers to determine. One would think indeed that solid and useful works, raised upon fictitious capital, must have occasionally met the eyes of every man. While nothing is more certain than that one effect of fictitious wealth is to call forth an active and daring spirit of speculation, growing bolder and bolder from the apparent success of men whose means were as nothing when measured by the old standard, but who by fortunate rashness with their own small capital, or by staking the property confided to them, have risen to sudden opulence. In that new and artificial state of things, it is the shrewd and enterprising schemer, not the sober dealer, who thrives. Wealth appears to be called into being almost by magic. Cautious and prudential maxims of business are despised as antiquated: and what in other times would be called wild and ruinous speculation, now

wears the appearance of energy, intelligence, and spirit. In the mean time industry does certainly receive an impulse, and a sort of new life is breathed into the whole system of society. The mere circumstance of a fall in the value of money creates, as was before[z] observed, a demand for labour—and that labour being *really* underpaid brings unusual profit to the employer. Thus it is that farms are improved, roads, bridges, and canals formed, buildings raised, and a general expenditure of capital, however *fictitious* itself, soon assumes a visible and *substantial* form.

Till the bubble bursts all goes well. All is hope, activity, and cheerfulness. Thus it was with the famous South-sea scheme, the effects of which on society would have been still more melancholy, had the delusion lasted longer. Thus it is in all revolutionary movements supported by a paper circulation: and it would be just as reasonable for a Frenchman to point with exultation to the armies they raised, clothed, and put in motion, or to the public works they planned and completed during that season of general ferment, as for an English minister to produce new bridges and canals, as proofs that the circulating wealth is *real* and not *fictitious*. *Ce n'est pas l'assignat qui perd,*

[z] See p. 24.

c'est l'argent qui gagne, was the language of the ruling party respecting their paper, in the first stages of its depreciation. We have seen how well our minister caught this note in his argument about the *dearness of gold*. By the help of the same logic, he also proves that if the *effects* of a paper circulation are solid and visible, the paper-money itself cannot be *fictitious*.

Let him wait till the experiment is fairly over, before he pronounces on its success. Until that representative wealth assumes again the solid form, we have no right to say, whatever its temporary effects may have been, that it really is what it professes to be. From the obstinate refusal indeed which it shews to reassume this shape, from its abhorrence to obey any of the charms and incantations that have been tried to induce it to re-enter the earthy substance, there is good reason to think that the subtle sprite is well aware how much its importance would suffer—how greatly its dimensions would shrink, and its volatility be impaired by such a change—at least it should seem that some more powerful wizard than the present Chancellor of the Exchequer is needed to bring about the *metamorphosis*. If he has not succeeded in deceiving *us*, how many deceitful promises, how many baffling put-offs and excuses have been prac-

tised on *him* by this coy phantom, who still eludes his grasp

Par levibus ventis volucrique simillima somno.

At one time it was the support of our armies on the continent—then the foreign subsidies—then the scarcity of corn—then the Berlin and Milan decrees—then the inordinate thirst of Buonaparte for gold, and his power of rendering it invisible—then the war in the peninsula—then the peace—for the last document which, if I remember right, the successor of Mr. Pitt laid before Parliament to account for the disappearance of specie, was a comparative list of the arrivals of travellers to and from the continent at Dover.

Having run the round of all these frivolities, let us hope that sober reason and experience may at length be allowed to resume their station: and that if we cannot fix this visionary wealth into any substance of corresponding bulk and solidity, we shall at least be permitted to ascertain how much of it is shadowy and ideal, and how much of sterling worth. This Mr. Vansittart may call if he pleases "*tampering with our currency*[a];" which is just as if one should call a proposal to terminate the suspension of the *Habeas Corpus* Act *tampering with the constitution.* But there is no other

[a] Speech on the Bullion Resolutions, p. 197.

way of satisfying the public mind, or of putting an end to that feverish uncertainty about matters which, for the peace, the happiness, the security and honour of private life, ought to be most certain.

The disclosure will doubtless be distressing to many, but it will be less mischievous than a continuance of the delusion. Most mortifying of all will it be to those, who have mocked us with congratulations on our increased riches, and who naturally desire to put off the evil day, when the emptiness of their boasting shall be made apparent, and when those whom they have misled will justly reproach them as the authors of their calamity. More especially will the bank proprietor feel the loss, who has indulged longest in this golden dream, fondly imagining that it is to last for ever,

> Qui nunc te fruitur credulus aureâ,
> Qui *semper vacuam*, semper amabilem
> Sperat, nescius auræ
> Fallacis.

It cannot indeed be expected but that all funded property will collapse, when no longer distended by this airy medium—but the Bank, which has been the chief absorbent of the profit, which has glutted itself, as it were, with the excessive and unlooked-for gain, must be content to contribute a proportionate share towards the general

restitution. From the year 1797, when the restriction commenced, to the present time, the value of its stock has been increased *nearly threefold*[b]. The whole of this increase must not be attributed to the restriction itself; but it is impossible not to see that the regular profits of such an institution, incapable as it is of engaging in general trade, and making therefore only lawful interest of its money, and of the Government balances deposited in its hands, can never have amounted to half this sum. In the general correction therefore that must be made, by substituting the *metallic* for the *nominal* value of all monied property, whatever amount of that property exists in the form of Bank-paper, the whole difference of these values will be a loss to the Bank. The difference probably is still not less than 15 per cent. causing a defalcation of nearly one seventh on all its present issues. But whatever the defalcation may be, it will not amount to a *restitution* of their exorbitant gains—it will only be a *cessation* of them for the future—and the stock,

[b] In 1797 bank stock was worth 125 per cent. At present it is 272. But besides this, every hundred pound stock of that time is a hundred and quarter now; the bank having in 1816 increased their nominal capital in that proportion: so that the increase of bank stock since 1797 is as $272 + \frac{272}{4}$ to 125, or as 340 to 125, which is nearly as three to one.

after this reduction, will still exceed its original value in 1797 in a much larger proportion than ever could have been calculated or even hoped for at that time.

The most rational and equitable plan for checking this inordinate growth, and providing a fund for the resumption of cash payments, was that of Mr. Canning in 1811. He proposed, that the then dividend of the Bank, which was 10 per cent. should be the maximum, and that all future gains during the restriction, beyond this dividend, should be reserved for the purpose of meeting that demand which must one day be made for bullion, if the Bank is ever to fulfil its engagements with the public. This proposal, simple and practicable as it seems, met with no countenance from either party.

But the subject of the Bank, of its connexion with the Administration, and its unfortunate influence over it, is one too wide in extent to be discussed at the close of this Letter. It is a subject moreover which is in the hands of one best qualified to do it justice: one, whose intrepid perseverance against the low commercial spite and jealousy he had to contend with, has already saved the country more than the aggregate of all the sinecure places ever existing; and who, if adequately supported in the House, will doubtless

succeed ultimately in accomplishing his patriotic purpose [c].

[c] Among the Arabic Fables of Bidpai is to be found, in some copies, a tale which the ingenious translator of that work appears not to have seen. As its originality is undoubted, I shall take the liberty of giving it, though in a form somewhat abridged. It is entitled, after their quaint manner, THE HORSES, or The folly of taking advice from interested persons.

When the Sultan Amurath IV. was preparing for war against the Infidels, he told his son he must accompany the army, and bid him provide horses and all suitable equipment for the field. The Prince asked how many horses he ought to buy. The Sultan, wishing to try the discretion of his son, replied, "Go and consider with thyself, and ask counsel of "those whom thou judgest most worthy to advise thee—buy "whatever is necessary, but be frugal." The young man appeared at Court the next day, and told the Sultan he had provided every thing. "And how many horses hast thou bought?" Two dozen, O Vicegerent of the Prophet, Destroyer of Infidels, Mirror of all virtue, was the answer. "Why so many?" rejoined the Sultan, "whose advice hast thou asked?" I went, replied the Prince, to the Bazaar, and enquired of the dealers in horses: they all advised me earnestly to buy two dozen, except *one man*, who thought one dozen was sufficient, saying, I might have one dozen more, should they be wanted, out of the royal stables, where they are high fed, and do no work: but I followed the counsel of the many. "By the beard of "my ancestors," exclaimed the Sultan, "thou hast proved "thyself unworthy of the throne of Othman—thou goest to "seek counsel of them whose gain is thine own loss—if thou "knowest not to provide for thyself, how shalt thou be able "to watch over the treasure of the faithful?"

That the Bank has not abused the discretion vested in them by the Government still more—that their issues have not been so excessive as to pre-

The story is told, like most eastern fables, with many variations. In some copies it is said to be the Vizier not the Son of the Sultan, who was thus tried, and that the enraged Sultan ordered his head to be struck off: in others, that he was contented with depriving him of his beard, because it gave him an imposing air of sanctity and wisdom, which misled his subjects. All agree in saying that he lost his office, and some add, that he betook himself to a way of life, for which there is no English name, but which in the Arabic is called *Jokkai*; while the honest dealer in horses was sent for to Court, and from that time forth consulted in all weighty affairs. But these particulars, as being less authentic as well as less applicable to my present purpose, I pass over.

The Arabs are fond of the *marvellous*, even in their moral apologues: and it may be thought that the fiction of a Vizier so duped exceeds the bounds of credibility. To the critics who raise this objection I beg leave to recommend a modern narrative of plain matter of fact, in which an exact parallel will be found, substituting only *millions* for *horses*. If Mr. Grenfell could be persuaded to republish his Speech of April 28, 1814, on the Sinking Fund, he would add greatly to the obligations he has already conferred on the public, by his firm and able, and I may add, successful exposure of the infatuated dealings of our ministry with the Bank and with monied men. I question whether the Chancellor Oxenstiern, in his memorable advice to his son, ever contemplated a case so humiliating to the pride of human reason, as what is related in the preface to Mr. Grenfell's speech.

clude, like those of America and France, all hope of liquidation, is but slender consolation to a people, whose ministry placed that blind confidence in them which empowered them to do so—whose ministry entrusted to a trading company, without check or controul, an entire command over the whole currency of the country. If the guardianship of the public purse be the most sacred charge of the House of Commons; if, as you, Sir, have recently told us with perfect truth, to watch the slightest encroachment on this constitutional privilege, be the first and most anxious duty of the officer who presides there; what must we think of that careless and wanton surrender of this superintendence, which was involved in the measure of the Bank Restriction, accompanied as it has been all along by a peremptory refusal to impose any restraint upon the Bank, as to the amount of its circulation? It is a conduct justifiable only on the ground, not merely that excessive issues *had not* taken place, but that they never *could* take place—a ground which yet the most devoted advocates of the measure have not ventured to maintain.

Whether your opinion coincides with my own on these points—or whether you will approve of the considerations here submitted to your judgment, upon matters certainly of great national

moment---of one thing I am confident, that you will not lightly dismiss the subject from your thoughts, nor think amiss of the appeal which is thus made in behalf of some of the dearest interests of society. You will also, I trust, feel the necessity of repairing, in some way or other, the injuries our public credit and our mercantile character have sustained from the unprincipled speculation which a system of finance supported by such doctrines never fails to introduce—and more especially of raising our peasantry, if possible, from the languishing and abject condition into which they have gradually fallen—and which the same financial system has rivetted upon them with many aggravations.

The station you now occupy, though not dignified by office, is a prominent and proud one. To have been chosen by above fifteen hundred gentlemen of liberal education as their representative in Parliament, without one dissentient voice, and I believe I may add without one dissentient mind in the whole body, is a distinction which confers no barren honour on its possessor. It must give weight and authority to his opinions: it must extend the sphere of his utility: it must afford grounds of self-confidence and self-respect: at the same time that it cannot fail to reflect back on ourselves some portion of the esteem which

belongs to a man "well formed and well placed," who is too independent of party to have his own line of conduct prescribed to him, and who has abilities to direct the efforts of party to the benefit of his country.

THE END.

Erratum in the first edition.

Page 63. l. 24. *for* diminution of the currency *read* diminution of the value of currency

APPENDIX.

No. I.

Resolutions proposed by Francis Horner, Esq. in a Committee of the whole House of Commons, May 6th, 1811; and negatived, May 10th.

1. THAT the only money which can be legally tendered in Great Britain, for any sum above twelve-pence in the whole, is made either of Gold or Silver; and that the weight, standard, and denomination, at which any such money is authorized to pass current, is fixed, under His Majesty's prerogative, according to law.

2.—THAT since the forty-third year of the reign of Queen Elizabeth, the indentures of His Majesty's Mint have uniformly directed that all silver used for coin should consist of eleven ounces and two penny-weights of fine silver, and eighteen penny-weights of alloy, in each pound troy, and that the said pound troy should be divided into sixty-two shillings, or into other coins in that proportion.

3.—THAT since the fifteenth year of the reign of King Charles the Second, the indentures of His Majesty's Mint have uniformly directed, that all gold used for coin should consist of eleven ounces of pure gold, and one ounce of alloy, in each pound troy; and that the said pound troy should be divided and coined into forty-

four guineas and one half-guinea, or into other coins in that proportion.

4.—That by a Proclamation of the fourth year of the reign of King George the First, it was ordered and directed, that guineas and the several other gold coins therein named, should be current at the rates and values then set upon them; viz. the guinea at the rate of twenty-one shillings, and other gold coins in the same proportion: thereby establishing, that the gold and silver coins of the realm should be a legal tender in all money payments, and a standard measure for ascertaining the value of all contracts for the payment of money, in the relative proportion of $15\frac{2}{11}\frac{1}{6}\frac{1}{0}$ pounds weight of sterling silver to one pound of sterling gold.

5.—That by a statute of the fourteenth year of the reign of His present Majesty, subsequently revived and made perpetual by a statute of the thirty-ninth year of his reign, it is enacted, that no tender in payment of money made in the silver coin of this realm, of any sum exceeding the sum of 25*l.* at any one time, shall be reputed in law, or allowed to be a legal tender, within Great Britain or Ireland, for more than according to its *value by weight*, after the rate of 5*s.* 2*d.* for each ounce of silver.

6.—That by a Proclamation of the sixteenth year of the reign of His present Majesty, confirmed by several subsequent Proclamations, it was ordered and directed, that if the *weight* of any guinea shall be less than five penny-weights and eight grains, such guinea shall cease to be a legal tender for the payment of any money within Great Britain or Ireland: and so in the same proportion for any other gold coin.

7.—That under these laws (which constitute the established policy of this realm, in regard to money) no contract or undertaking for the payment of money, sti-

pulated to be paid in pounds sterling, or in good and lawful money of Great Britain, can be legally satisfied and discharged, in gold coin, unless the coin tendered shall weigh in the proportion of $\frac{2}{3}\frac{7}{9}$ parts of five pennyweights and eight grains of standard gold for each pound sterling, specified in the said contract; nor in silver coin, for a sum exceeding 25*l.* unless such coin shall weigh in the proportion of $\frac{2}{3}\frac{7}{9}$ of a pound troy of standard silver for each pound sterling specified in the contract.

8.—That the promissory notes of the Bank of England are stipulations to pay, on demand, the sum in pounds sterling, respectively specified in each of the said notes.

9.—That when it was enacted by the authority of Parliament, that the payment of the promissory notes of the Bank of England in cash should for a time be suspended, it was not the intention of Parliament that any alteration whatsoever should take place in the value of such promissory notes.

10.—That it appears, that the actual value of the promissory notes of the Bank of England (measuring such value by weight of standard gold and silver as aforesaid) has been, for a considerable period of time, and still is, considerably less than what is established by the laws of the realm to be the legal tender in payment of any money contract or stipulation.

11.—That the fall which has thus taken place in the value of the promissory notes of the Bank of England, and in that of the country bank paper which is exchangeable for it, has been occasioned by too abundant issue of paper currency, both by the Bank of England, and by the country banks; and that this excess has originated from the want of that check and controul on the issues of the Bank of England, which existed before the suspension of cash payments.

12.—THAT it appears, that the exchanges with foreign parts have, for a considerable period of time, been unfavourable to this country, in an extraordinary degree.

13.—THAT, although the adverse circumstances of our trade, together with the large amount of our military expenditure abroad, may have contributed to render our exchanges with the continent of Europe unfavourable; yet the extraordinary degree, in which the exchanges have been depressed for so long a period, has been, in a great measure, occasioned by the depreciation which has taken place in the relative value of the currency of this country as compared with the money of foreign countries.

14.—THAT during the continuance of the suspension of cash payments, it is the duty of the Directors of the Bank of England to advert to the state of the foreign exchanges, as well as to the price of bullion, with a view to regulate the amount of their issues.

15.—THAT the only certain and adequate security to be provided against an excess of paper currency, and for maintaining the relative value of the circulating medium of the realm, is the legal convertibility, upon demand, of all paper currency into lawful coin of the realm.

16.—THAT in order to revert gradually to this security, and to enforce meanwhile a due limitation of the paper of the Bank of England as well as of all the other bank paper of the country, it is expedient to amend the Act which suspends the cash payments of the Bank, by altering the time till which the suspension shall continue, from six months after the ratification of a definitive treaty of peace, to that of two years from the present time.

No. II.

Resolutions respecting Money, Bullion, and Exchanges, moved by the Right Hon. N. Vansittart, in a Committee of the whole House of Commons, 13th May, and agreed to by the House, 14th and 15th of May, 1811.

1. *Resolved,*

THAT the right of establishing and regulating the legal money of this kingdom hath at all times been a royal prerogative, vested in the Sovereigns thereof, who have, from time to time, exercised the same as they have seen fit, in changing such legal money, or altering and varying the value, and enforcing or restraining the circulation thereof, by Proclamation, or in concurrence with the estates of the realm by Act of Parliament: and that such legal money cannot lawfully be defaced, melted down, or exported.

2. *Resolved,*

THAT the promissory notes of the Governor and Company of the Bank of England are engagements to pay certain sums of money in the legal coin of this kingdom; and that for more than a century past, the said Governor and Company were at all times ready to discharge such promissory notes in legal coin of the realm, until restrained from so doing on the 25th of February 1797, by an Order of Council, confirmed by Act of Parliament.

3. *Resolved,*

THAT the promissory notes of the said Company have hitherto been, and are at this time, held in public

estimation to be equivalent to the legal coin of the realm, and generally accepted as such in all pecuniary transactions to which such coin is lawfully applicable.

4. *Resolved,*

THAT at various periods, as well before as since the said restriction, the exchanges between Great Britain and several other countries have been unfavourable to Great Britain; and that during such periods, the prices of gold and silver bullion, especially of such gold bullion as could be legally exported, have frequently risen above the Mint price: and the coinage of money at the Mint has been either wholly suspended or greatly diminished in amount: and that such circumstances have usually occurred, when expensive naval and military operations have been carried on abroad; and in times of public danger or alarm; or when large importations of grain from foreign parts have taken place.

5. *Resolved,*

THAT such unfavourable changes, and rise in the price of bullion, occurred to a greater or less degree during the wars carried on by King William the Third and Queen Anne; and also during part of the seven years war, and of the American war; and during the war and scarcity of grain in 1795 and 1796, when the difficulty of procuring cash or bullion increased to such a degree, that on the 25th of February, 1797, the Bank of England was restrained from making payments in cash by an Order of Council, confirmed and continued to the present time by divers Acts of Parliament: and the exchanges became still more unfavourable, and the price of bullion higher, during the scarcity which prevailed for two years previous to the peace of Amiens.

6. *Resolved,*

THAT the unfavourable state of the exchanges, and the high price of bullion, do not, in any of the instances above referred to, appear to have been produced by the restriction upon cash payments at the Bank of England, or by any excess in the issue of Bank-notes; inasmuch as all the said instances, except the last, occurred previously to any restriction on such cash payments; and because, so far as appears by such information as has been procured, the price of bullion has frequently been highest, and the exchanges most unfavourable, at periods, when the issues of Bank-notes have been considerably diminished, and they have been afterwards restored to their ordinary rates, although those issues have been increased.

7. *Resolved,*

THAT during the period of nearly seventy-eight years, ending with the 1st of January 1796, and previous to the aforesaid restriction, of which period accounts are before the House, the price of standard gold in bars has been at or under the Mint price twenty-eight years and five months; and above the said Mint price forty-eight years and eleven months; and that the price of foreign gold coin has been at or under 3*l.* 18*s.* per ounce, thirty-six years and seven months, and above the said price thirty-nine years and three months; and that during the remaining intervals no prices are stated. —And that during the same period of seventy-eight years, the price of standard silver appears to have been at or under the Mint price, three years and two months only.

8. *Resolved,*

THAT during the latter part, and for some time

after the close of the American war, during the years 1781, 1782, and 1783, the exchange with Hamburgh fell from 34.1 to 31.5, being about eight per cent.; and the price of foreign gold rose from 3*l.* 17*s.* 6*d.* to 4*l.* 2*s.* 3*d.* per ounce, and the price of dollars from 5*s.* 4½*d.* per ounce, to 5*s.* 11¼*d.*; and that the Bank-notes in circulation were reduced between March 1782 and December 1782, from 9,260,000*l.* to 5,995,000*l.* being a diminution of above one third, and continued (with occasional variations) at such reduced rate until December 1784: and that the exchange with Hamburgh rose to 34.6, and the price of gold fell to 3*l.* 17*s.* 6*d.* and dollars to 5*s.* 1½*d.* per ounce, before the 25th of February 1787, the amount of Bank-notes being then increased to 8,688,000*l.*

9. *Resolved,*

THAT the amount of Bank-notes in February 1787, was 8,688,000*l.* and in February 1791, 11,699,000*l.*; and that during the same period, the sum of 10,704,000*l.* was coined in gold; and that the exchange with Hamburgh rose about three per cent.

10. *Resolved,*

THAT the average amount of Bank-notes in the year 1795, was about 11,497,000*l.*; and on the 25th of February, 1797, was reduced to 8,640,000*l.* during which time the exchange with Hamburgh fell from 36 to 35, being about three per cent. and the said amount was increased to 11,855,000*l.* exclusive of 1,542,000*l.* in notes of one pound and two pounds each, on the 1st of February, 1798, during which time the exchange rose to 38.2, being about nine per cent.

11. *Resolved,*

THAT the average price of wheat, per quarter, in England, in the year 1798, was 5*s.* 3*d.*; in 1799, 67*s.* 5*d.*; in 1800, 113*s.* 7*d.*; in 1801, 118*s.* 3*d.*; and in 1802, 67*s.* 5*d.*

The amount of Bank-notes, of five pounds and upwards, was

	About	And under 5*l.*	Making together
in 1798,	10,920,400*l.*	1,786,000*l.*	12,706,400*l.*
in 1799,	12,048,790*l.*	1,626,110*l.*	13,674,906*l.*
in 1800,	13,421,920*l.*	1,831,820*l.*	15,253,740*l.*
in 1801,	13,454,370*l.*	2,715,180*l.*	16,169,550*l.*
in 1802,	13,917,980*l.*	3,136,470*l.*	17,054,450*l.*

That the exchange with Hamburgh was, in January 1798, 38.2; January 1799, 37.7; January 1800, 32.; January 1801, 29.8; being in the whole a fall of above 22 per cent.—In January 1802, 32.2; and December 1802, 34.; being in the whole a rise of about thirteen per cent.

12. *Resolved,*

THAT during all the periods above referred to, previous to the commencement of the war with France in 1793, the principal states of Europe preserved their independence, and the trade and correspondence thereof were carried on conformably to the accustomed law of nations; and that although from the time of the invasion of Holland by the French in 1795, the trade of Great Britain with the Continent was in part circumscribed and interrupted, it was carried on freely with several of the most considerable ports, and commercial correspondence was maintained at all times previous to the summer of 1807.

13. *Resolved,*

THAT since the month of November 1806, and especially since the summer of 1807, a system of exclusion has been established against the British trade on the continent of Europe, under the influence and terror of the French power, and enforced with a degree of violence and rigour never before attempted; whereby all trade and correspondence between Great Britain and the continent of Europe has (with some occasional exceptions, chiefly in Sweden and in certain parts of Spain and Portugal) been hazardous, precarious, and expensive, the trade being loaded with excessive freights to foreign shipping, and other unusual charges: and that the trade of Great Britain with the United States of America has also been uncertain and interrupted; and that in addition to these circumstances, which have greatly affected the course of payments between this country and other nations, the naval and military expenditure of the United Kingdom in foreign parts has for three years past been very great; and the price of grain, owing to a deficiency in the crops, higher than at any time, whereof the accounts appear before Parliament, except during the scarcity of 1800 and 1801; and that large quantities thereof have been imported.

14. *Resolved,*

THAT the amount of currency necessary for carrying on the transactions of the country, must bear a proportion to the extent of its trade and its public revenue and expenditure; and that the annual amount of the exports and imports of Great Britain, on an average of three years, ending 5th of January, 1807, was 48,739,651*l.* official value; the average amount of revenue paid into the Exchequer, including monies raised by lottery, 18,759,165*l.*; and of loans, 18,409,842*l.*; making

together 37,169,007*l.*; and the average amount of the total expenditure of Great Britain, 42,855,111*l.*; and that the average amount of Bank-notes in circulation (all of which were for five pounds, or upwards) was about 10,782,780*l.*; and that 57,274,617*l.* had been coined in gold during His Majesty's reign, of which a large sum was then in circulation:

That the annual amount of the exports and imports of Great Britain, on an average of three years, ending 5th of January, 1811, supposing the imports from the East Indies and China, in the year ending 5th of January, 1811, to have been equal to their amount in the preceding year, was 77,971,318*l.*; the average amount of revenue paid into the Exchequer, 62,763,746*l.*; and of loans, 12,673,548*l.* making together 75,437,294*l.*; and the average amount of the total expenditure of Great Britain, 82,205,066*l.*; and that the average amount of Bank-notes, above five pounds, was about 14,265,850*l.* and of notes under five pounds, about 5,288,330*l.*; and that the amount of gold coin in circulation was greatly diminished.

15. *Resolved,*

THAT the situation of this kingdom, in respect of its political and commercial relations with foreign countries, as above stated, is sufficient, without any change in the internal value of its currency, to account for the unfavourable state of the foreign exchanges, and for the high price of bullion.

16. *Resolved,*

THAT it is highly important that the restriction on the payments in cash of the Bank of England, should be removed, whenever the political and commercial re-

lations of the country shall render it compatible with the public interest.

17. *Resolved,*

THAT under the circumstances affecting the political and commercial relations of this kingdom with foreign countries, it would be highly inexpedient and dangerous, now to fix a definite period for the removal of the restriction of cash payments at the Bank of England, prior to the term already fixed by the Act 44 Geo. III. c. 1. of six months after the conclusion of a definitive treaty of peace.

THE END.

BAXTER, PRINTER, OXFORD.

A

SECOND LETTER

TO THE

RIGHT HON. ROBERT PEEL,

M. P. FOR THE UNIVERSITY OF OXFORD.

A

SECOND LETTER

TO THE

RIGHT HON. ROBERT PEEL,

M. P. FOR THE UNIVERSITY OF OXFORD,

ON

THE CAUSES

OF

THE INCREASE OF PAUPERISM,

AND ON

THE POOR LAWS.

BY ONE OF HIS CONSTITUENTS.

It is one of the finest problems in legislation, "What the State ought "to take upon itself to direct by the public wisdom, and what it ought to "leave with as little interference as possible to individual discretion."

BURKE.

OXFORD,

PRINTED FOR JOHN MURRAY, ALBEMARLE-STREET,

LONDON.

1819.

A

SECOND LETTER,

&c.

SIR,

IT was my object in a former Letter, which I took the liberty of inscribing with your name, to establish the following points—that a rapid depreciation of money naturally introduces disorder and embarrassment into all the departments of life—that from the long and universal habit of regarding money as a fixed standard, it is the last thing men are brought to think is variable, and that they are prone to account for the change of prices in every other way—that the pressure arising from this confusion bears heaviest upon the lower classes—that in the gradual correction which follows, they are the last to regain their relative position, and during the interval suffer severely from an unacknowledged and unperceived cause—and that it was this cause chiefly (a cause not to be ascribed to Government, nor capable of being

controlled by it) which led to the institution of Poor Laws in the reign of Queen Elizabeth, and in a great measure to the vast extension of that mode of support in our own times.

It was a natural consequence from these positions, supposing them to be well established, that any *artificial* depreciation is a most impolitic and unjust measure—and if at all times unjust and oppressive, then more especially so, when the *natural* cause of depreciation is still operating in full force, and not yet perhaps arrived at its utmost limit. For it can hardly be doubted that the use of paper in commerce, the advantages of which in this country have been so thoroughly proved, must gradually pervade all civilized countries, and must proportionably lower the value of the precious metals; since the demand created by the increase of mankind and the extension of commerce will probably not balance both the *increased supply* of those metals, when improved machinery shall be applied to the mines, and the *diminished demand* for them, when the world at large shall have adopted that substitute, which, under the rule of convertibility into specie, is equally efficacious with the metals themselves, and much more convenient.

In following up this argument, it was necessary to examine with freedom the grounds upon which

that financial system is defended, from whence so great an aggravation of these evils appeared to proceed. It was first introduced as a temporary expedient—an acknowledged departure from sound practice, but rendered necessary by the occasion. Having been long acquiesced in upon this principle, at length its pernicious effects became manifest and alarming. It was then that a new advocate appeared, adopting new grounds of defence —grounds subversive of all that had heretofore been deemed most authentic in political economy, containing no slight attack upon our constitutional rights, and leaving interests that hitherto had been held most sacred in law to the mercy of Government, or rather of monied men, on whom the administration had now confessedly made itself dependent for pecuniary resources.

There was another feature in this anomalous case which is not unworthy of notice. Men who are engaged in action must sometimes accommodate themselves to the imperfection of the materials they employ. When persuasion is necessary to carry their purpose, they must use arguments, not the soundest always, but those which are most likely to prevail with the people they address. If men will not be guided by their reason to the right road, they must either be led by their

prejudices, or tempted by their inclinations. An Athenian orator once told his countrymen that truth had ceased to influence them, and it was become necessary to entrap them into their real interests. In such a state of moral or intellectual corruption, one makes allowance for the difficulties in which statesmen find themselves placed. But there is nothing in the case we are considering, nothing either at the time or since, which leads to the excuse here imagined. It was not the minister who made this defence. It was a person wholly unconnected with the Administration. Mr. Vansittart urges indeed this very circumstance, towards the conclusion of his speech, as giving him a more than ordinary claim to the confidence of the House. His situation then did not impose upon him the irksome duty of arguing upon false principles. It must have been conviction and nothing else—for I speak with the utmost sincerity when I say, that his character is far above the suspicion of making a compromise with truth, with a view to the attainment of office, or of any earthly advantage. I will add too, with equal sincerity, that an established character for private worth and integrity must in my opinion have contributed largely to the success of his argument—and that nothing but this—not even the flattering

ease and security which such doctrines communicate—could have so far disarmed the judgment of his hearers, as to procure their assent to the reasoning analyzed in my first Letter.

After the lamented death of Mr. Perceval, these doctrines seem to have secured his office to Mr. Vansittart. And here it is that the humiliation becomes truly mortifying. That such reasoning and such opinions (not extorted by his embarrassments, but gratuitously offered) should have been the road to the highest employments—that the management of the whole financial concerns of the country should have been *obtained* by the denial of every fundamental principle in the science of political economy, is certainly an event that one was hardly prepared for in the present age, and which ought to lower the pride of those who are wont to exult in the progress and advancement of human reason. The documents on which this opinion rests are in possession of the public. His speeches on the Bullion question were his pretensions to the appointment. Let these credentials be examined, without prejudice and without partiality.

Undoubtedly it holds good of a departure from right reason, as well as from moral rectitude, that the original position cannot be regained *at once*. A single false step often draws a train of evil conse-

quences after it; and the process of amendment is perhaps always slow in proportion to the inveteracy of the disease. But the first thing towards recovery is to perceive that we are in the wrong: the next, to put ourselves into hands different from those who have brought on or who have mistaken the malady. Of the evils of this temporary depreciation, people seem now to be convinced: but can we expect they will ever be cured by those who deny *the fact*?

There was nothing, I believe, in my last Letter which implied a belief that cash-payments could instantly be resumed. On the contrary, I am prepared to expect that the voice of all parties will pronounce that to be impossible. But let us at least know that they, on whose skill and management we rely, are aware of the dangers we are in—that they do not dispute that we have lost our reckoning, and are out of the right course. If the vessel is got among shoals and currents, undoubtedly we must not hope to recover the track by the same rules of navigation which are practised in the wide ocean: yet who can bear to entrust her safety to the same pilot, whose obstinacy has entangled us in the difficulties; and who has all along chosen to regulate his course, not by the sun and the stars and the immutable laws of nature, but by objects fleeting and variable, which move as he moves,

and by the advice of those whose interest it is to keep him involved in these perplexities?

The main obstacle in our way is understood to be the diminution of the circulating medium, which must follow if a metallic currency were immediately restored. Prices of all commodities will of course fall, and a reaction take place upon all those interests which have been improved by the depreciated currency. For instance, all subsisting contracts for future payment, instead of being advantageous as heretofore, will be found detrimental to the payer—goods will be sold at a less price than they cost, and debts will be found heavier than they were when first incurred—people will fancy their income lessened, and will for a time contract their expenditure—trade will be cramped—the revenue abridged—and more than all, agriculture checked, and the demand for country labour of course diminished. It is this part of the subject which is more immediately connected with my present enquiry, and towards which my attention will soon be principally directed. For if the profits of the farmer fall, of course the demand for labour will be less, and that indigence which throws men upon the parish for support, will be considerably encreased. I state it now, to guard against any prejudice in the minds of my readers, as if I was

not aware of the consequences involved in this measure. But the fact is demonstrable.

In proportion as the demand for provision rises, it is known that worse and worse land is brought into cultivation. The worse the land, the more labour does it require to cultivate it. When therefore prices fall, the worst land, or that which yields little or no rent, and which employs most labour, will be the first to go out of cultivation—and thus the demand for labour will be lessened in a *greater* ratio even than the amount of produce. And this very evil which we complain of, namely, pauperism arising from a want of employment, must be increased accordingly.

Admitting this to be the natural consequence of an abrupt restoration of a sound currency, it certainly should lead us to think how the evil may be mitigated; but the cure must not be suspended because of the pain it gives. The correction must come sooner or later—but there is a fallacy in supposing that by merely deferring to set about it, we make it more gradual. All that has hitherto been done has had no tendency towards correction. We are not a bit farther from the danger, or nearer to a remedy, than we were five years ago. We have been deluded with a repetition of the same stale pretence—that the Restriction is con-

tinued *now positively for the last time.* The next Session comes, and then "more last words." But what single step has been taken to prepare for the change? What causes now in action which impede the measure are more likely to cease next year than this? What attempt has been made or is making to remove or to obviate these causes? If our ministers, feeling themselves on the brink of a precipice that must be passed, are afraid to make the leap, they ought at least to be employed in contriving the means of descent, and breaking the fall when it comes. Mere procrastination does nothing.

One measure indeed has been adopted—the Corn Bill—which is defensible only on this ground. A sudden fall of price in this article would certainly have the effect of depressing agriculture, and of throwing a multitude of labourers out of employment. It is prudent therefore, on all accounts, to interpose some check against too violent a transition, by keeping off foreign competitors for a time. But it should be regarded only as a *set-off* against the advantage enjoyed by the commercial interest. If the paper-currency is retained to favour *them*, (and that is the only intelligible ground of the measure,) lest too hasty a contraction should embarrass their dealings, it follows as a corollary, that some artificial stay must be applied to pre-

serve the agricultural interest also at a corresponding level. But this it must be remembered is an unnatural state of things. It extends to all the classes and all the interests of life. Our main object should be not to sustain them all or any of them at this level, (for descend they must sooner or later,) but to contrive that they shall all descend as *equably* as possible, preserving their mutual relations, as far as human art can effect it, undisturbed. The experiment, I grant, is a nice one, and it requires the truest eye as well as the firmest hand to conduct it properly [a].

[a] The similarity between our present situation and that of the country in 1698, when Davenant wrote his Treatise on the Revenues and Trade of England, (excepting that the abundant paper currency of which he speaks, p. 38. as having supported them during the war, was voluntary,) is so remarkable, that I have thought an extract from that intelligent work would not be unacceptable or useless.

"Now the peace is concluded, the call from abroad for all "our commodities, which has hitherto held up their price, "perhaps may cease; and if this should happen (as there is "reason to think it will) things of our own growth must im- "mediately sink in value, unless money can be made to "circulate in the country: for gold and silver being the "measure of trade, *all things are dear or cheap, as that sort "of wealth is wanted or aboundeth.* And in all countries of "the world, where money is rare and scarce, the product of "the earth is cheap; as for instance, in Scotland, Ireland, "the Northern kingdoms, Germany, and most parts of Asia "and America.

In the discussions that have hitherto been published, I discover no symptom whatever on the part of ministers, that they recognize this to be the real problem before them. They talk of the present prices as if they were to last for ever[b]; and upon this basis they build the most flattering anticipations of future prosperity. The patient is plethoric and bloated, and yet they reckon upon continuance of health, without reducing the system. At the same time they yield to the representations

" Now if the product of the land should sink in its value, " it must naturally ensue, that the rents of England, and " price of land will fall in the same proportion. For the " great stock that was subsisting in credit, and the great sum " of money that circulated about the kingdom, did chiefly " fix so high a price upon land, and all its produce; and if " peace should diminish this price (as perhaps it will) land " and its rents will hardly recover their former value, till " money can be made to circulate, and till credit is revived. " And if there should be a want of specie, and of credit, the " taxes cannot answer, and there must be a decrease in all " the King's revenues." p. 52.

It was at this crisis of embarrassment that Mr. Lowndes, in his report to the Lords of the Treasury, recommended a debasement of the coinage to the amount of 20 per cent. by coining 77s. 6d. out of the pound of silver instead of 62—a fraud which was only prevented by the superior authority and sense of justice of Mr. Locke.

[b] See Lord Castlereagh's speech on the Finances of the Country, Feb. 8, 1819.

of the Bankers, that if cash-payments are resumed, they must be ruined. But why must they be ruined? For the same reason that every man who has pledged himself to payments beyond his means must be ruined. The demand for time is just that which all men make whose affairs are embarrassed. To press them for payment now *must* ruin them. To put off the season of payment at least prolongs their existence, and *may* restore them. In futurity there is always possible good—always the chapter of accidents, for hope to rest on. But not the slightest evidence is offered to convince us that their means will be more ample in future than they are at present. The whole fabric rests on the continuance of existing prices—that is, on the continuance of a depreciated currency—and the whole therefore is delusive, unless we are prepared to make that currency perpetual.

The Bank of England, it seems, have lately contracted their issues—but to answer the demands of the market in the present state of the currency, other banks will increase theirs. To keep up the present prices, as one draws in, the other will shoot out. Being secure against the only true test of their soundness, and their profits depending upon the amount of their issues, can it be imagined that they will ever of their own accord contract those issues, in order to hasten on the day which is to

probe their secrets, and to put an end to their gainful traffic? The Chancellor of the Exchequer indeed is in the habit of following the advice of mercantile men as the best that can be had upon points in which their own profits are deeply involved: it is not to be wondered at therefore, that *he* regards the wishes of bankers as decisive of the policy to be observed in regulating the currency. But I address my reasoning to those who think that the party whose interest is embarked on one side of a question, is the last to be referred to as a fit judge of its merits [c].

The anxiety I feel, lest permanent legislative measures should be attempted in this transitory state of the currency, has led me to say much more on the subject of the *paper depreciation* than I had originally intended. Notice has been given of a bill to alter the law respecting usury. But surely no measure of the kind will be allowed to

[c] The following is the remark of a man very conversant with the world, as well as with the principles of finance.

"There is hardly a society of merchants, that would not "have it thought the whole prosperity of the kingdom de- "pends upon their single traffick. So that at any time, "when they come to be consulted, their answers are dark "and partial; and when they deliberate themselves in as- "semblies, 'tis generally with a bias, and a secret eye to their "own advantage." *Davenant on the Revenues and Trade of England*, p. 80.

pass, until we have first cleared away this monstrous anomaly. Our reckoning at present is all untrue. Let it not be made the basis of farther calculations. Let us not regulate our course by a time-piece confessedly out of order. How to rectify errors interwoven with so many civil interests, undoubtedly requires careful thought and accurate science, and much political firmness. I fear it cannot be done without severe distress to many. If restitution is to be made, somebody must pay. It is often necessary to throw part of the cargo over to save the whole vessel. But so it is with all similar aberrations. The first year in the reformation of the Calendar was emphatically called "the year of confusion."

More especially do I deprecate any definitive regulations on the subject of the poor, while this uncertainty continues upon a point essentially connected with that question: for the local and temporary depreciation we have been just considering must, according to my view of the case, be first got rid of, before we can venture upon any general revision of the code against which so loud a clamour has been lately raised. To the consideration of that important question I now proceed: conscious indeed of the difficulty it involves, and of the small claim I can have to attention after so many minds have been exercised upon it. But

thinking, as I do, that a sort of groundless panick has been raised, and that much of what arises from temporary causes—causes not hitherto drawn into the discussion—has been attributed to the radical and essential nature of the Poor Laws themselves; I am not without a hope, that the attempt may prove beneficial: and am at least confident, that it will not be disapproved by the candid and enlightened persons to whose judgment it is submitted.

Among the many important aids which a writer on this subject now possesses, and of the advantage of which I am very sensible, the first in point of authority is the Report of the Select Committee in 1817; a publication which has tended greatly to open the eyes of the public to the true principles on which any reformation of the system ought to be conducted. The other works to which I am most indebted are Mr. Bicheno's Inquiry into the Nature of Benevolence, and Mr. Davison's and Mr. Courtenay's treatises on the Poor Laws, always however acknowledging as the great storehouse of information on this subject, Sir Frederick Eden's "State of the Poor," and Mr. Malthus's Essay on Population as an original well-head of political

truth, from which succeeding writers have drawn, and will continue to draw—

A quo, ceu fonte perenni,
Vatum Pieriis ora rigantur aquis.

Still the view I have taken, though it coincides with much of what all these writers have advanced, especially with Mr. Courtenay's argument, yet differs also in some respects from all—and having paid this tribute of respect most sincerely to their opinions, I trust I shall be allowed to dissent freely from them wherever the course of the discussion leads me, without any particular mention, and without being supposed to think lightly of their authority.

Part of the difficulty and intricacy generally complained of seems to arise from not sufficiently distinguishing between the objections against the principle and those against the practice of our laws. Accordingly I have thought it best to observe the following method, and to inquire,

I. What Government *can do* towards the relief of the poor.

II. What our own Government *has done*.

III. What under existing circumstances *ought to be done*.

I. The first question, involving as it does the deepest principles of political philosophy as well as of political economy, may well be supposed to have been imperfectly understood in the age which gave birth to our system of Poor Laws; and to have received so much additional light from the improved science of modern times, as to secure us from many of the errors into which our ancestors had fallen. A strict inquiry however into the fact will, I believe, lead to a conclusion directly opposite. If the true office and province of legislation has been at all misunderstood in the formation of this system, which I think may easily be made to appear, the error has undoubtedly been progressive, and has grown to an excess in our own times, far beyond its original dimensions.

The fundamental mistake to which I allude is the confusion of moral duty with the task of legislation. That what all individuals *ought to do*, it is the business of the laws to *make* them do, is a plausible position, and has actually been adopted by some of the ablest and most virtuous men. But nothing in reality is more fallacious—nothing less congruous with the nature of man, and with that state of discipline and trial which his present existence is clearly designed to be. In the first place, it destroys the very essence

not only of benevolence, but of all virtue, to make it compulsory: or to speak more properly it is a contradiction in terms. An action to be virtuous must be voluntary. It requires a living and a free agent to give it birth. If we attempt to transplant it from our own bosoms to the laws, it withers and dies. It cannot inhabit an inert and inanimate mass—and the fabled attempt of Prometheus to breathe life into his lump of clay was not more presumptuous, than the endeavour to inspire a code of laws with that principle which by its very essence is inherent in a moral and accountable being.

The error is fostered by the promiscuous application of words to individuals and to the laws, which in their proper signification belong to the former only. We talk of mild, of merciful, of benevolent, of humane laws. The professed object of such laws is to do what mild and merciful and benevolent men are disposed to do. But even supposing them capable of *effecting* this, a point which will presently be discussed, yet the humanity is lost as soon as the act proceeds from a dead letter, not from the spontaneous impulse of any individual. And in fact this endeavour to invest the laws with the office of humanity, inconsistent and impracticable as it is when attempted from the purest motive, does in reality

often originate from an imperfect sense of moral obligation, and a low degree of benevolence in men themselves. Absurd as the thought is when expressed in words, man would be virtuous, be humane, be charitable *by proxy*. This however not only the divine purpose and the declared end of our being, but common sense itself forbids. To throw off the care of want, and disease, and misery upon the magistrate, is to convert humanity into police, and religion into a statute-book.

We are often betrayed too into this mistake, by the obvious inhumanity of some laws, and by the endeavours of virtuous men to reform them, which endeavours we properly regard as proofs of *their* humanity. When a law is cruel, or unjust, or oppressive, the most humane persons are the first to attempt an alteration. But the utmost they can do is, to mitigate the law. The *relaxation* is humane, but the law which remains cannot be so. For instance, the law of debtor and creditor is perhaps too severe—the difficulty is, how to relax it without defeating the end of all law, prohibition of injustice—but relax it as we will, the positive enactment after all, whatever it is, must necessarily be a coercive measure.

Another cause of this prevalent error lies in the visionary speculations of many of the ancient heathen writers on the subject of political philo-

sophy,—speculations imbibed early in life, and cherished with a kind of veneration by men of classical learning, who have not been sufficiently careful to correct these early theories by the light of revealed religion, and the improvements of modern science. Let us hear the opinion of one of the most powerful and original thinkers our own country has produced upon the defects of these writers.

"I have often wondered," says Bishop Warburton, "what it was that could lead the reformers "of laws from fact, and universal practice, in so "fundamental a point. But without doubt it was "this. The design of such sort of writings is to "give a perfect pattern of civil government; and "to supply the fancied defects in real societies. "The *end* of government coming first under con-"sideration; and the general practice of society "seeming to declare this end to be only (what in "truth it is) *security to our temporal liberty and* "*property*, the simplicity of the plan displeased, "and appeared defective. They imagined, that "by enlarging the bottom they should ennoble "the structure: and therefore formed a romantic "project of making civil society serve for all the "good purposes it was even accidentally capable "of producing. And thus, instead of giving us "a true picture of government, they jumbled to-

" gether all sorts of societies into one; and con-
" founded the *religious*, the *literary*, the *mercan-*
" *tile*, the *convivial*, with the *civil*. Whoever
" reads them carefully, if indeed they be worth
" reading carefully, will find that the errors, in
" which they abound, are all of this nature, and
" arise from this source—from the losing, or
" never having had, a true idea of the simple plan
" of civil government [b]."

Laws then, it should seem, have little of *direct* influence towards effecting either the improvement or the happiness of man. They prohibit him from injury, and they protect him from it. Active virtue, generosity, benevolence, forgiveness, hospitality, piety, all that constitutes the charm, the beauty, the dignity of life—all that can develope the best part of man's nature, or that can hope to be acceptable in the sight of his Maker, must be derived from another source. And more especially it may be said, what the poet has applied most sophistically to another purpose, that the virtue of charity

> At sight of human ties
> Spreads its light wings and in a moment flies.

What is thus proved to be true theoretically, and by a kind of *a priori* argument, Mr. Malthus has

[b] Alliance between Church and State, b. i. c. 3.

shewn to be deducible from the actual constitution of things. And in this lies the great merit and the everlasting value of his work. It was natural indeed to think that all truth would be harmonious and consistent—that the universe was not constructed upon a plan so preposterous, as to tempt to the execution of that which is abhorrent to the very nature and end of our being. It is the high distinction of the Essay on Population to have demonstrated, that such is the fact—that all endeavours to embody benevolence into law, and thus impiously as it were to effect by human laws what the Author of the system of nature has not effected by his laws, must be abortive—that this ignorant struggle against evil really enlarges instead of contracting the kingdom of evil—that it not only must fail, but that it involves great mischief both during the attempt and in its consequences.

The obloquy which has been directed against the author arose not merely from the shallow views and prejudices of his opponents, (to say nothing of the more malignant motives of some adversaries,) but partly also from the *order* in which this discovery was presented to the minds of men. That such was the constitution of things he seemed to have proved. But then it appeared to militate against some of the most sacred truths—as the goodness of God, and the duty of benevolence in

man. He was driven therefore by his assailants, to reconcile the system with those truths. He has accomplished this purpose completely: but during the interval, the vulgar prejudice struck root and took a rank growth, which it will yet perhaps require some time and industry to subdue. In the mean time however he has let in a ray of light upon all kindred speculations, which sophistry and prejudice will never again be able to exclude from the world. And further, as it is of the nature of one happy thought to elicit others, so has he found in a contemporary writer not only an advocate, but an able and ingenious expositor of the whole system—one who has beautifully developed[c] the high moral and religious blessings which lay involved in this germ, and has dissipated that gloom which in the eyes of many candid persons still seemed to hang over the discovery. Instead of a lurid Tartarus, he has opened to our view those bright regions of virtuous activity and religious hope, to which truth, and truth only, can ever lead us. But I must beware how I yield to the attractions of this captivating theme. To have said less of one to whom the world owes so much and whom it has requited so ill, would not have accorded with my own feel-

[c] See Sumner's Records of the Creation, vol. 2.

ings—and what has been said is perhaps the more excuseable, because I shall have occasion in the course of this inquiry to combat some part of his reasoning, as it is connected with our own Poor Laws.

Before I quit this branch of the subject, however, let me appeal to the experience of those who have taken an active part in the formation and management of charitable associations, in proof of the principle above maintained—that charity and law have scarcely a single point of contact. They are of heterogeneous origin: and as far as they enter into the compound of any system, they draw opposite ways. Such at least is the fruit of my own experience. In proportion as these institutions assume a settled, an organized, and a permanent character, in the same degree precisely does the administration of them become more a matter of police than of humanity. In the same degree does the application to them approach to the nature of a claim, and the execution of them require sagacity in detecting imposture, and firmness in repelling the expectations even of real want. And with whatever feelings of ardent benevolence and sanguine hope of relieving distress persons may have engaged in them, the due fulfilment of the office of administrator of such funds is found to involve a continual suppression, not an indulgence of the *feelings* of humanity. I say this

not with a view to disparage such institutions, for they are often called for by *local* and *temporary* circumstances, and as such, especially when superintended with calm discretion, have done the greatest good—much less to detract from the merit of those excellent men who have formed and conducted them—but to illustrate by a familiar example the truth of that principle which, in its abstract form, seldom meets the observation of men, that charity cannot be the basis of a *permanent* legislative measure. For these very institutions themselves, useful as they are and even necessary upon occasion, in proportion to their permanency and systematic execution, have a tendency to defeat their own purpose.

Another lesson also this example may serve to teach us—the folly and injustice of that obloquy which is commonly associated with the name of Overseer. The office is essentially one not of charity, but of prudence. It is to be exercised undoubtedly in a manner consistent with humanity—but its proper business is to see that the provisions of the law are carried into effect. There is a querulous sensibility, fostered by sombre descriptions, in verse and prose, of Workhouses and Village Poor, which tends only to breed discontent, and to propagate the most erroneous notions of the duty of Government, and the de-

fects of civil institutions. When we hear these doctrines from the mouths of seditious demagogues, we feel only indignation and disgust: but the offence against reason is really as flagrant, though not so alarming, when these false opinions are insinuated, by means of the heart, into the weaker intellects of persons unaccustomed to deep reflection, not with a view to awaken active benevolence, but to make them repine at the evils incident to social life.

How best to remedy those mischiefs which our own Poor Laws have been supposed to create, will properly become the subject of the Third part of this inquiry. But it belongs to the part now in hand to state, with what limitation I conceive the principle of separating humanity from law must be taken. And for this purpose I will premise the objection which is collected from the argument of Mr. Malthus against the laws as they now are, and which it is my intention in some degree to combat.

The objection is, that by holding out a promise of food and employment to all that may be born, we profess what it is impossible in the nature of things to perform—and that as far as this promise operates, it obstructs the natural check which would otherwise preserve the balance of population—that we do therefore force population arti-

ficially, and crowd life with greater numbers than can be adequately provided for.

Now the force of this objection lies wholly in the phrase *promise of food and employment*. And it is material therefore to inquire, first, whether the language of our Poor Laws really amounts to this—and, secondly, whether some relief for the poor may not permanently be provided by law, which shall not amount to an encouragement to population.

Some writers, I observe, are not content with the simple phrase *food and employment*, but in their zeal against what they conceive to be a vicious system, describe the parish relief as *a support, a means of obtaining the gratification of his natural wants without any exertion on his part*[d]. Mr. Malthus, I think, occasionally uses language almost amounting to this—and certainly the common strain of declamation, caused perhaps by the actual practice at this moment in many places, assumes that the pauper is to be as well off as the independent labourer. But whatever the fact may be in some districts, arising from sudden pressure and mistaken execution of the laws, the description as applied to the ancient and established system of our Poor Laws is overcharged. And as

[d] Bicheno, chap. ii. p. 131.

far as we may collect from the history of a century and half, the laws were not so executed, and had not that effect upon the minds of the lower classes. It is notorious that the fear, or pride, or virtue, or whatever it may be called, which kept the labourer from the parish, was an active and powerful principle, till far within the time of living memory. I contend therefore that neither the language of the laws, nor their effect, justifies this construction. And the cheering inference I draw is, that it may be possible to provide by law for *preserving* life, without encouraging the *propagation* of it.

This is the only answer to which, as it strikes me, the argument from the principle of population is open—and I do not think it has been sufficiently attended to in the discussion of the question. The portion of relief necessary for this purpose may always be afforded out of the surplus stock of society—provided the demand be occasional only, and not of a nature to increase indefinitely by being satisfied.

There surely is a condition of life, which nature impels men to preserve, and which we are bound individually wherever we can to assist in preserving, which yet is not so valuable to the possessor as to make him wish to transmit it to posterity, though he may instinctively cling to it himself. There are, I should suppose, many gradations be-

tween that degree of support which merely keeps men alive, and that which renders life truly comfortable. In the latter case the *disposition* to increase must exist in full force. In all the other cases it must suffer a diminution greater in proportion as they approach the extreme case, in which I conceive it would not exist at all. The law therefore, it should seem, might hold out the certainty of this bare means of preserving life in *any* civilized state of society, without entailing a continually increasing demand for it—a consequence which it has been demonstrably shewn would multiply misery and distress, and in the end defeat itself. It would follow also, that in proportion to the moral improvement of society, in proportion to the prevalence of a taste for the comforts and decencies of life among the lower orders, in proportion as those things which are not literally necessaries are habitually and universally held to be so—in the same proportion might the rate of allowance be safely raised, and something more than bare subsistence of the lowest kind be afforded to those who from any cause were rendered unable to support themselves.

The rule of allowance then must be relative to the state of society—the standard rising in proportion to the rise of that moral standard—and always, I should say, keeping below rather than

above the mark, for many reasons. First, because it is the safest side, the errors on this side ending with themselves, whereas those on the side of indulgence have a tendency to increase in a geometrical ratio. Secondly, because men are more prone to err on this side than on the other, and much greater individual virtue and firmness is requisite to resist the temptation to this kind of error. Thirdly, because error on the side of rigour is more easily corrected than error of the opposite kind. Fourthly, because the error of indulgence tends to disturb and alter the standard itself by which it is measured, and thus to blind the judgment of mankind against all future correction.

It is the more necessary to dwell upon this view of the question, because the practice is almost universal among those reasoners who build on the Principle of Population, to represent the object of our Poor Laws as radically inconsistent with that principle—their argument continually assuming that the support extended is to be such as will necessarily encourage propagation. It is not so much with Mr. Malthus himself, especially in his later editions*, as with the political economists

* "It cannot but strike the labouring classes themselves, "that, if their main dependence for the support of their chil- "dren is to be on the parish, they can only expect parish "fare, parish clothing, parish furniture, a parish house, and

who adopt his views, that this error seems to prevail. And accordingly among many of *them* nothing is more common than to exaggerate the nature of this parochial support, as if it placed a man in a situation equally desirable with that of the labourer who supports himself, and left him nothing to wish for beyond what that fund supplies.

How far this error may have been generated, and be still kept in countenance by some recent enactments, and still more by the lax use of the discretion vested in magistrates, and by an extension of that discretion even *beyond what is*

" parish government, and they must know that persons living " in this way cannot possibly be in a happy and prosperous " state." Malthus's Additions, p. 79. Surely this detracts greatly from the necessity which the author still thinks there is for a total though gradual abolition of the Poor Laws. He has not disguised, but has with his usual candour stated the other causes which have forced population within the last twenty years. It is on the *comparative* influence of these causes in encouraging population that the question about retaining the Poor Laws turns. Mr. Courtenay is inclined to attribute *no* such influence to them; which is perhaps carrying it too far, although Mr. Malthus himself, in his Appendix to the edition of 1806, has these words. " I will not presume to say " positively that they tend to encourage population," p. 547. My own opinion decidedly is, that whatever influence of this kind they possess is to be ascribed to the recent extension and lax administration of them, and not to their original principle.

authorized by law, will be more properly the subject of consideration under the Second head of this enquiry. When I come to a review of the origin and progress of these laws, and of the circumstances under which they were first formed and since modified, I think it will manifestly appear, that our ancestors are not chargeable with that ignorance of the true province of legislation, which is so generally imputed to them—and that the original principle is not so vicious and unsound as most of these writers represent it to be. That the practice ought in some points to be corrected, and the law changed, it will be my endeavour to shew under the Third head.

Meanwhile the argument derives some support from the natural law of *self-preservation*, which is universally allowed to supersede the positive restraints of other laws; and, provided that principle be the genuine and sole motive (which it seldom is even when pleaded) to render a violation of property excuseable. The fear is, that if openly avowed, it would in practice be extended beyond the case of literal *necessity*. But supposing it confined within those limits, the general provision by law for the maintenance of life bears a strong analogy to it, and may be allowed to rest on the same foundation, although it militates equally against the abstract principle of legislation, and is proved by expe-

rience to be liable to the same perversion in practice.

Let me dismiss the present branch of the argument then with the hope that indigence arising either from infirmity, age, infancy, great number of children, and even accidental failure of employment, may possibly be relieved by law—not fully and adequately to our feelings—yet permanently and systematically, without necessarily extending the evil—and that in proportion to the improvement of society, this relief may safely be afforded on a more liberal scale[f].

The next attempt which our laws have made for the relief of the poor, and which is even more at variance with reason and sound policy, is to regulate the price of provisions and the wages of labour. The former of these attempts has been long ago abandoned, and therefore is now wholly unworthy of notice. The latter, though abrogated by law, yet strange to say, has subsisted, and to

[f] Mr. Malthus admits, that notwithstanding the Poor Laws, even under their late indulgent administration, our population will probably be found at the next census to have been retarded by the difficulties of the times; and that this effect continuing for some years, together with the increased demand that may soon be expected from abroad, the labouring classes will probably be restored to full employment and good wages. *Additions*, p. 64.

this day virtually subsists, in practice. And here it may not be without its use, especially as we are prone to boast of our superiority in legislative wisdom over those of a former age, to point out how the case stands in regard to these laws. In the first place, whatever defect there may be in the fundamental law for the relief of the Poor passed in the 43d of Elizabeth, it has certainly been heightened in a great degree by the 22d Geo. III. c. 83. and the 36th Geo. III. c. 23. and still more by the *practice* of magistrates exceeding the discretionary power vested in them. On the other hand, the *letter* of Queen Elizabeth's law for the regulation of wages, [5. Eliz. c. 4.] founded as it was in ignorance, yet produced little harm, being disregarded in practice: for the preamble of 2. James I. c. 6. which revives that law, expressly declares that it had not been duly executed, "whereby the rates of wages for poor artificers, "labourers, and other persons, whose wages was "meant to be rated by the said Act, *have not been* "*rated and proportioned according to the plenty*, "*scarcity*, *necessity*, and respect of time, which "was politickly intended by the said Act." Thus while our ancestors erred in principle, they were right in practice—but our practice has been erroneous, even after the legislative error had been amended: for this absurd and impracticable policy has been of late years formally authorized in large districts of

the kingdom, by a regulated table of wages corresponding with the price of provisions, and supplying the deficiency of payment out of the Poor Rate.

But the evil tendency as well as the illegality of this practice is now pretty generally admitted; and it would probably be a waste of time to dwell any longer upon the topic. If however Government can do nothing *directly* to assist the holder of a commodity for which there is no adequate demand, it may still perhaps remove some obstructions which retard the natural cure. A simplification of the law of settlement, and a freer scope given to the circulation of labour, are among the more obvious measures, and to these accordingly some attention will be directed in the Third Part.

In the mean time I cannot but think that if the true value of our currency were restored, the effect would be an improvement of the condition of the labourer. In theory it is true, that if each shilling is worth more, fewer shillings will be given for his labour, while the demand for it continues the same. But it is long before pure theory takes effect in these transactions. And during that interval he would certainly be a gainer. We have seen that when money *fell* in value, his wages did not proportionably advance, even during a time when the demand for labour was at the highest. The difference went to swell the profits of the employer;

And this not merely from avaricious motives in the employer—the *nominal* amount being the same or even greater, he no less than the labourer might well be ignorant of the real truth: for the power of names in perpetuating error will hardly be disputed. Is it not then reasonable to conclude, that if money were to *rise* in value, some time would elapse before the difference would be discovered—and still more before it would be met by a proportional diminution of wages? Habit is a powerful agent in this class of life—and though habit ultimately settles into a coincidence with interest, yet it is not so versatile as to follow up the variations of interest very quickly. The gain to the labourer would undoubtedly be a loss to the employer—as his loss before was the other's gain. But we are not to suppose that the profits of employment are so nicely balanced, as to bear no abridgment—to leave no debateable ground for the rival interests to contend in—even for a short interval. And it is only for an *interval* that we have to provide: the true problem before us in all such cases being, *how best to alleviate the distress arising from a want of employment, until the natural demands of trade and agriculture shall again absorb the surplus labour.*

The last point I shall consider, to which the

agency of law has been applied, but with a failure more notorious than any other, is the employment of those who are able and willing to labour, but who have no work.

The framers of the Act, 43d Eliz. and of all succeeding Acts on the same subject, appear evidently to have assumed that the labour of a man properly directed must always be adequate to support him. If therefore he was not hired voluntarily, the parish officer was to provide him work. Work, merely as an employment of time, is undoubtedly better both for him and for the public than absolute idleness—but this does not seem to have been the object in view. It was clearly supposed that his work might be so profitable as to repay the charge of his subsistence.

The subject is now much better understood. It is well known that if his labour were profitable, it would be hired by private employers. But they have already too many labourers on their hands. If then he is employed in producing more of those commodities, of which there is already too much, he aggravates the embarrassment. Or again, should his work when employed by the parish be *more* profitable than that of the hired labourer, a supposition utterly improbable, he throws that labourer out of employment—if it is *less* profitable, his efforts are still hurtful to the other pre-

cisely in the same degree in which they tend to support himself.

It is clear then that, if employed by the parish, it ought to be on some work in which private capital is not embarked, nor likely to be embarked. The work may in that case be useful, and make some return for the food he receives. But experience abundantly proves, that extraordinary skill and assiduity in the superintendant are necessary to make such work only moderately expensive—and that individual adventure, with half the talent and industry and capital requisite in the other case, will effect more.

Neither can the employment of these surplus labourers in tilling the ground, and thus actually raising food, be regarded as an *adequate* resource, even admitting that ground could be had for the purpose. For the case itself supposes that the demand for the produce of land is so much lessened as to discourage cultivation, and consequently to throw some labourers out of work. These labourers, if fed, as they must be, constitute part of the market for that produce. They are consumers of provisions, and therefore cause part of that demand which is already found to be insufficient. How then, by withdrawing this demand and making them support themselves, can we expect to benefit the market? If the farmer employs already

as many hands as his profits will bear, must not a diminution of those profits tend to throw more men out of employ? and thus to run a round of fruitless exertion, without the slightest tendency to escape from the circle? The whole subject has been ably discussed by Mr. Davison[f], and few readers will, I imagine, refuse to subscribe to his conclusion, "that no real supply of productive em-"ployment can be furnished by legal arrangement, "when the trade of the country itself fails to "furnish it."

Whatever therefore is done in this way, must be regarded not as a permanent resource on which increasing population may reckon, but as a temporary palliation of distress, till either trade shall revive, or population lessen—and the circumstances under which the system is conducted ought clearly to be such, as powerfully to stimulate all the parties concerned to extricate themselves from the situation, and to seek for some other means of support.

II. If I were to take a review of *all* the legislative measures on record for the regulation and relief of the poor, together with the circumstances under which they were severally enacted, the attempt

[f] Considerations on the Poor Laws, p. 24—31.

would be tedious and useless. But to judge aright of the merits of any law, it is highly important and even necessary, that the peculiar circumstances of the times in which it passed should be well considered. On this account I shall confine my attention chiefly to those Acts of Parliament which are the cardinal points of the system, and enquire diligently whether the times in which they were framed do not support the general argument I maintain—namely, that the distress which occasioned them arose out of temporary causes, not out of the essential principles of civil society, and that among these causes depreciation of money was the principal.

That in every stage of society there will be poverty and distress, every one knows—and that this poverty and distress, when unable to relieve itself, ought to be relieved by others, is also a Christian maxim. Accordingly in times anterior to the Reformation, almsgiving was regarded as an indispensable and almost daily duty—and one of the chief employments of the parochial clergy was to collect and distribute these alms. The old notion that monasteries were the main support of the poor is, I believe, pretty well exploded. Theirs was an ostentatious, wasteful, lazy bounty, not unlike the charity exhibited in the Scripture parable of the rich man, and which rich men in

Neither does it appear that the mistaken language of charity had crept into the legislative enactments of this period. The preambles generally set forth the great increase of the poor as a *national evil*, as a growing *burden* on the public —and when they speak of the degree of support requisite for them, it is "to keep them from perishing." The same error indeed respecting the benefits of compulsory employment, seems to have prevailed, notwithstanding the palpable failure of all attempts of that kind: and wages continued, at intervals, to be regulated by the magistrates, whose edicts however were generally the *consequence* of the existing practice, instead of the cause of it; or, if ever they interfered with the natural order of things, were of course disregarded.

As to the principal legislative measures, they were long confined to a continuation, from time to time, of the 43d of Elizabeth, viz. by 2. Jac. I. c. 25. 21. Jac. I. c. 28. 3. Car. I. c. 4. till at length it was made perpetual by 16. Car. I. c. 4. The usual complaints occur in the writings of that age, of the increase of poverty, vagrancy, and crimes. But there is no proof whatever that the Poor Laws contributed towards it, (to vagrancy they must certainly be at all times a check,) nor indeed that these evils did increase, beyond their proportion to the increased population of the country.

Neither can the ordinary solution, of stagnant trade or interrupted credit, be applied here.

During a great part of Elizabeth's reign the general improvement of the country, as we have seen, was rapid, and the demand for labour increasing. Towards the conclusion indeed, namely, from 1587 to 1597, a series of bad seasons and scanty crops heightened the distress, and in some years, especially 1596, to such a degree as to produce general alarm—and this cause undoubtedly accelerated the formation of the Act which passed for the relief of the poor in 1601. Something also is to be attributed to the continental wars maintained by Elizabeth, which like all wars, created a demand for men while they lasted, and threw a multitude of idle hands upon society when they were over. In these respects, (for in our time also three if not four years of extraordinary scarcity have been felt) as well as in the rapid increase of foreign trade and domestic manufacture, that age bore a striking resemblance to the present, and may well be supposed therefore to have witnessed similar changes in the condition of society; but the change of prices also, not so great indeed in our own times as in those, yet, equally unperceived as to its cause, must have contributed largely to the general distress of the poor. At the close of that

reign prices became more settled: and if we may look upon the multiplication of the medium of commerce, as having *now* reached its acme, or nearly so, *we* also may confidently expect a general amelioration of the state of the lower classes, without much positive interference on the part of Government, and certainly without abolishing that legal provision for the support of indigence, which if not injurious or impracticable, every one must allow to be incumbent on us.

The review of proceedings in the *Seventeenth* century will not detain us so long. They are neither so numerous, nor so important, as those we have been considering; but taken in conjunction with the circumstances of the times out of which they sprung, they will, I apprehend, be found to support the reasoning hitherto employed. The change in the value of money during this century was not great; and accordingly the state of the poor does not seem to have excited so much attention, till towards its conclusion, when other causes, which are also powerful, were in full activity, viz. the cessation of foreign war, which had been maintained by a prodigious effort—by an incessant demand for men—by an exhaustion of present, and an anticipation of future means—and this, accompanied by some years of failing harvest.

In the foregoing table there are not many years in which the price of labour is recorded. In the table of provisions therefore, those years have been chosen, which coincide with them, or nearly so, but this table is made fuller, because the price of provisions fluctuates with the seasons, but the price of labour is more stationary.

The following table, abstracted from the compositions for purveyances, exhibits the increasing prices of animal food through the latter part of the 16th century [u].

	Composition for an Ox.			Value in present Money.			Composition for a Sheep.			Value in present Money.		
	£.	s.	d.	£.	s.	d.	£.	s.	d.	£.	s.	d.
1527. 18. Hen. 8.	0	19	6	1	6	10½	0	3	1½	0	4	3
1544. 35. Hen. 8.	1	5	4	1	9	5⅓	0	3	0	0	3	5⅓
1548. 2. Edw. 6.	2	13	4	3	2	0¼	0	4	0	0	4	6¾
1550. 4. Edw. 6.	5	0	0[x]				0	12	0[x]			
1551. 5. Edw. 6.	2	17	7	3	6	11⅛	0	5	4	0	6	2⅛
1555. 2. Mary.	2	19	0	3	0	5	0	4	4	0	4	5⅓
1558. 5. Mary.	4	6	8	4	8	8	0	4	0	0	4	1
1560. 2. Eliz.	5	10	0	5	13	8	0	10	0	0	10	4
1587. 29. Eliz.	7	0	0	7	4	8	0	12	6	0	12	10½

From the slightest inspection of the tables it will appear that during the first twenty years of

[u] Eden, App. No. IV.

[x] I have not reduced these prices, concluding that they relate to that confused state of the currency mentioned in page 57.

that century the wages of a country labourer were at least three times as great as during the last twenty years, if measured by the quantity of food they would purchase. For instance, in the first period a sheep at 20*d.* was equal only to about 4½ days labour at the *lowest* rate—in the second, reckoning a sheep at 10*s.* and a day's labour without diet at 10*d.*, which is the *highest* ever mentioned, it was equal to 12 days labour. Again, in the first period, a quarter of wheat at 5*s.* 3*d.* was equal only to 13 days labour at the *lowest* rate: in the second, taking the average price, as I find it from Sir F. Eden's larger table to have been, at 1*l.* 12*s.* 10*d.* it was equal to 39½ days labour at the *highest* rate—and in each period the price of barley appears to have been something more than half that of wheat, or nearly in the ratio of 4 to 7. It will be said perhaps that manufactured commodities were cheaper in the latter than in the former period: which is true: but when the whole wages of a man's labour were barely sufficient to keep him from starving, his share of these commodities must have been next to nothing—and it was surely no alleviation of his misery to see others obtaining such advantages at a cheaper rate, and thus depressing him still lower than ever in the comparative scale of social life.

up the value of the debased coin, which were not obeyed. To enforce obedience, Parliament passed a *law* for inflicting penalties on those who should *exchange any money at a greater value than the same was declared to be current for by his Majesty's proclamation.* And then indeed it was most true (what Mr. Vansittart told the House of Commons, and what the House of Commons solemnly resolved in 1811) that the coins *did* pass according to their nominal value in all *lawful* transactions.

It was at length discovered that no effectual remedy could be applied, but a total reformation of the coins of the realm—a measure which was undertaken and nearly accomplished in the last year of Edward the Sixth, neglected by Queen Mary, but finally completed in the first year of Elizabeth, when the pound of silver was coined into sixty shillings. To this instructive example I will only subjoin one remark, that the *arbitrary* depreciation was enforced at the very time when (like the present) the *natural* cause of depreciation, from a growing increase of the medium of commerce, was also in the full tide of its operation.

A slight inspection then of the rates of wages as settled at different periods, and of the prices of some principal articles of food, will convince us that during the 16th century, the condition of labourers was in a constant course of deterioration.

PRICE OF PROVISIONS.

					Value in present Money.		
		£.	s.	d.	£.	s.	d.
1439.	Wheat, per Quarter	0	3	4	0	5	0½
From 1500 to 1511.	Average of ditto...	0	5	2½	0	8	0½
	Average of Barley	0	3	4	0	5	0½
1500.	An Ox	0	11	8	0	18	0½
	A Sheep	0	1	8	0	2	6½
1531.	A large Ox	1	6	8	1	16	9
	A Sheep	0	2	10	0	3	10½
	Wheat, average ...	0	5	4	0	7	3½
	Barley	0	2	4	0	3	2½
1533.	Beef and Mutton, per lb.	0	0	0½	0	0	0½ o.748
1549.	Best fat wether ...	0	4	4	0	5	0½
1550.	Best Wheat.....	0	13	4	0	15	6½
1560.	Wheat, from	0	8	0	0	8	3½
	to	1	6	0	1	9	5½
	Beef, per lb.	0	0	1	0	0	1 o.1685
1575.	Wheat	1	0	0	1	0	8
1587.	Wheat, from	1	0	0	1	0	8
	to	4	0	0	4	2	8
1589.	Wheat	0	18	6	0	19	1½
	Barley	0	13	4	0	13	10½
	A Wether	0	6	8	0	6	10½
1590.	Sheep	0	6	8	0	6	10½
	Wheat	1	1	0	1	1	8½
	Barley	0	13	4	0	13	10½
1593.	Wheat, exportation price.....	1	0	0	1	0	8
	Barley	0	12	0	0	12	4½
1596.	Wheat	2	2	0	2	3	4½
	Rye	1	4	0	1	4	9½
	Beef, the stone ...	0	1	9	0	1	9½
	A fat Wether	0	15	0	0	15	6
1597.	A fat Bullock	5	19	6	6	3	6
	A fat Sheep.....	0	14	6	0	14	11½
1598.	Wheat	0	18	0	0	18	7½
1599.	Ditto	1	7	0	1	7	11
1601.	.....		.....		.....		

PRICE OF LABOUR.

Daily Wages appointed 11. Hen. VII. A. D. 1495.	£.	s.	d.	Value in present Money. £.	s.	d.
A Mower, with diet	0	0	4	0	0	5½
Ditto without	0	0	6	0	0	9¼
A Reaper or Carter with diet	0	0	3	0	0	4½
Ditto without	0	0	5	0	0	7½
Woman Labourer, or other Labourers, with diet ...	0	0	2½	0	0	3½
Ditto without	0	0	4½	0	0	6½
No account of the Wages of labour till 1575.						
Labourer without diet	0	0	8	0	0	8½
Thrasher, ditto ...	0	0	8	0	0	8½
Ditcher, with diet	0	0	4	0	0	4½
Thresher, without	0	0	6	0	0	6½
Labourer in a garden	0	0	3	0	0	3 1/12
Ditto in an orchard	0	0	4	0	0	4½
Thatcher	0	0	5	0	0	5½
Labourer in Yorkshire.						
Summer, with diet	0	0	2	0	0	2 9/32
without	0	0	5	0	0	5½
Winter, with diet	0	0	1½	0	0	1 9/32
without...	0	0	4	0	0	4½
In Chester.						
Servant Carpenter, or Thatcher, with diet	0	0	1	0	0	1 9/32
Smith, or Sawyer	0	0	2	0	0	2 9/32
In Chester.						
The same as in 1593.						
Labourer, without diet	0	0	10	0	0	10 9/32

"in matter of estate, of the great *absurdities and* "*frauds* that arise of divorcing the *legal* estima- "tion of moneys from the general and, as I may "term it, *natural* estimation of metals, and again "of the uncertainty and wavering values of coins, "a very labyrinth of cousenages and abuse, yet "such as great princes have made their profit of "towards their own people *."

In order however to make the operation of this cause still more evident, I have compiled from the ample materials of Sir F. Eden's volumes, a short comparative view of prices of provisions, and rates of wages, digested into tables, confining myself in the former to the price of meat and corn, and in the latter to the wages of ordinary country labour. To these it is necessary to prefix some account of the changes our coin has undergone from the time of Henry the Seventh, in order that the prices may be *really* as well as *nominally* expressed by a common measure.

1464. 4. Edw. IV. The pound of silver was coined into 37*s*. 6*d*. This practice continued till 1527, when Henry the Eighth lowered the standard, coining the pound of silver into 45*s*. In order therefore to compare the prices of the first period with those of the second, an addition must al-

* Discourse in praise of Queen Elizabeth.

ways be made of one fifth. From the latter part of Henry the Eighth, to the last year of Edward the Sixth, the greatest possible confusion prevailed in our currency, by means of debasement and absurd regulations directing silver coins to be taken according to a *prescribed* relative value with gold, different from the actual value. The following extract from Folkes's Table of Coins will serve to shew to what an excess of folly and iniquity this practice had grown.

		£	s.	d.
A. D. 1527.	The value of the pound sterling, in money of the present day, was	1	7	$6\frac{3}{4}$
1543.		1	3	$3\frac{1}{4}$
1545.		0	13	$11\frac{1}{2}$
1546.		0	9	$3\frac{3}{4}$
1551.		0	4	$7\frac{3}{4}$

During this period no reliance is to be placed on the account of prices which may appear incidentally in contemporary writings; for the actual payments must of course have been governed by the intrinsic not the nominal value of the currency. Nothing however can exceed the embarrassment caused by these measures throughout life. All commerce, says Lord Liverpool[1], was nearly at a stand. Government issued proclamations to keep

[1] Coins of the Realm, p. 90, &c.

properly employed. When Harrison wrote, no provision had been made for setting this class to work. It could not however escape notice that many well-disposed persons were reduced to distress either by inadequate wages, or by want of employment: and he attributes it angrily to covetous landlords, who by enclosing commons, and raising their rents, made many beggars.

"Hereupon it followeth, that although the wise and "better-minded do either forsake the realm for altoge- "ther, and seek to live in other countries, as France, "Germany, Barbary, India, Moscovia, and verie Cale- "cute, complaining of no room to be left for them at "home, and do so behave themselves that they are "worthily to be accompted among the second sort; yet "the greater part commonly having nothing to stay "upon, are wilful, and thereupon do either prove idle "beggars, or else continue starke thieves till the gallowes "do eat them up, which is a lamentable case." He then proceeds to enumerate no less than 14 sorts of vagabonds[r], upon the authority of a treatise on that subject, published by Harman in 1566.

What he says of emigration and the causes of it reminds one forcibly of Goldsmith's querulous de-

[r] Viz. rufflers, uprightmen, hookers or anglers, roges, wild roges, priggers of pransers, palliards, fraters, abrams, freshwater mariners or whipjacks, dummerers, drunken tinkers, swadders or pedlers, jackemen or patricoes; besides nine female varieties.

dication of the Deserted Village, and of the general strain of that poem as well as of the conclusion of his Traveller. That he viewed the change of circumstances in his own time with the same heart-felt concern as Harrison, there can be no doubt; and the more we enquire, the more circumstances do we discover which neither writer seems to be aware of, that conspired to produce a strong resemblance between the two cases.

It must not be overlooked, that besides the rapid growth of commerce, and the general taste for improvement, which caused an extensive demand for labour, and of course increased population, the powerful impulse of war also was applied in the same direction; and Harrison remarks that those who grudge, as many did, at the increase of the people, would in case of foreign invasion find that a wall of men is far better than stacks of corn and bags of money. I mention this now, because it is one feature more of resemblance between that age and our own.

They might be the less inclined to advert to the medium of commerce, as the cause of this derangement, because one of the first measures of Elizabeth's reign was to set that affair right: and Lord Baconjustly commends the policy, as having rectified the abuses of former reigns. "For who "believeth not," he says, "that knoweth any thing

which was fourpence a pound, now cost half-a-crown: raisins or corinths that might be had for a penny, now cost sixpence, and so on. They have sought out, he says, the East and the West Indies, New Spain, Cathay, Moscovy, and Tartary, "but alas! I see not by all their "travell that the prices of things are any whit abated[o]."

In the chapter on Diet, he has the following passage, written it will be remembered about 30 years after the Sermon of Latimer, from which an extract has been already given[p].

"The bread throughout the land is made of such "graine as the soile yeeldeth, nevertheless the gentilitie "commonlie provide themselves sufficientlie of wheat "for their owne tables, whilest their household and "poore neighbours in some shires are inforced to con- "tent themselves with rie, or barleie, yea and in time of "dearth manie with bread made either of beans, peason, "or otes, or of altogether and some acornes among, of "which scourge the poorest doo soonest tast, sith they "are least able to provide themselves of better. I "will not saie that this extremitie is oft so well to be "seene in time of plentie as of dearth, but if I should I "could easilie bring my triall. For albeit that there be "much more ground eared now [1577] almost in everie "place, than hath beene of late yeares, yet such a price "of corne continueth in each towne and market without "any just cause (except it be that landlords doo get

[o] Description of England, chap. v. p. 163. fol. ed.

[p] First Letter, p. 14.

" licences to carie corne out of the land onelie to keepe
" up the prices for their owne private gaines and ruine
" of the commonwealth) that the artificer and poore
" laboring man is not able to reach unto it, but is driven
" to content himselfe with horsse-corne, I meane, beanes,
" peason, otes, tares, and lintels: and therefore it is a
" true proverbe, and never so well verified as now, that
" hunger setteth his first foote into the horsse-manger.
" If the world last a while after this rate, wheate and rie
" will be no graine for poore men to feed on, and some
" caterpillers there are that can saie so much alreadie[9]."

In the chapter on the Poor he says there is no commonwealth *at this day* in Europe, wherein there is not great store of poor people, and those necessarily to be relieved by the wealthier sort, which otherwise would starve and come to utter confusion. He divides them into three classes; 1. The impotent, including fatherless children, aged and incurably diseased. 2. Casually disabled persons. 3. Thriftless poor, viz. vagabonds, &c. The same division is observed by Dalton in his Justice of the Peace, A. D. 1635. Of this division it is observable, that no account is taken of those who are able and willing to work, but have no employment. Men seem to have presumed, as the legislature has for many ages, that such labourers must of course be able to support themselves, if

[9] Description of England, chap. vi. p. 168. fol. ed.

" three, which have been all new built within that
" time; and whereof the meanest was never built
" for two thousand pounds. There were never
" the like pleasures of goodly gardens and orchards,
" walks, pools, parks, as do adorn almost every
" mansion-house—there was never the like number
" of beautiful and costly tombs and monuments
" which are erected in sundry churches in ho-
" nourable memory of the dead. There was never
" the like quantity of plate, jewels, sumptuous
" moveables and stuff, as within the realm. There
" was never the like quantity of waste and un-
" profitable ground in need reclaimed, and im-
" proved. There was never the like husbanding
" of all sorts of grounds by fencing, manuring, and
" all kinds of good husbandry. The towns were
" never better built nor peopled; nor the prin-
" cipal fairs and markets ever better customed or
" frequented. The commodities and ease of rivers
" cut by hand, and brought into a new channel;
" of piers that have been built; of waters that
" have been forced and brought against the ground,
" were never so many. There was never so many
" excellent artificers, nor so many new handy-
" crafts used and exercised; nor new commodities
" made within the realm; sugar, paper, glass,
" copper, divers silks, and the like. There was
" never such complete and honourable provision

"of horse, armour, weapons, ordnance of the "war[m]."

It is true the writer subjoins that, besides the proclamation before mentioned, and the Act of Parliament about cottages, there are "sundry other tokens "of the surcharge of the people:" among which I fear must be included, though it did not suit the author's purpose to acknowledge it, the misery and the crimes of the common people. Certain it is, that the kingdom was in a most disorderly state, and that crimes of every description abounded. Strype[n] has preserved an interesting memoir on this subject, written by a magistrate of Somersetshire in 1596: and Harrison in his Description of England, reckons the annual executions at 300 or 400.

A few extracts from this more homely but not less honest writer, whose first edition was published in 1577 and the second in 1586, may serve to complete the picture, over which Lord Bacon has spread so rich a colouring.

"The number of merchants is so increased in these "our days, that their only maintenance is the cause of "the exceeding prices of foreign wares, which otherwise "when every nation was permitted to bring in his own "commodities, were far better, cheap, and more plenti-"fully to be had." He goes on to notice that sugar

[m] Observations on a Libel. [n] Annals, iv. 290.

advance of price has taken place, and so on successively while the same cause continues in operation, ever mocking his hopes, like the rainbow, still retiring as he advances, and leaving him far behind the golden shadow he is pursuing. In the mean time, all those who derive profit from labour, are accumulating vast wealth—their success stimulates others to embark in schemes of improvement—and life begins to wear a new embroidery, woven by the humble toil of beings who are left to grovel on the earth, and to perish obscurely when their work is done, destined never to enter upon the fruits of their own labour[1].

[1] *Sic vos non vobis fertis aratra boves.* Notwithstanding the deteriorated condition of the lowest class, all above them were rapidly advancing in the command of comforts and even of luxuries: and as might be expected, when the profit emanates from underpaid labour, the *immediate* employer was the chief gainer. Of the effects produced on this class in country life, Harrison gives a lively description. "So common were all sorts of treene [wooden] "stuffe in old time, that a man should hardlie find foure "peeces of pewter (of which one was peradventure a salt) "in a good farmer's house; and yet for all this frugalitie, "(if it may so be justly called) they were scarce able to "live, and paie their rents at their daies without selling of a "cow or an horsse or more, although they paid but 4 pounds "at the uttermost by the yeare. Such also was their povertie, "that if some one od farmer or husbandman had beene at the "ale-house, a thing greatlie used in those daies, amongst 6

The following sketch of the state of the kingdom in 1592 from the pen of Lord Bacon will not, I hope, be thought a tedious commentary on this doctrine. After speaking of the improved tillage, which even supplied corn for exportation, and the cheapness of grain compared with its usual price a few years before, he proceeds thus:

"There was never the like number of fair and "stately houses as have been built and set up "from the ground since her Majesty's reign; in- "somuch that there have been reckoned in one "shire that is not great, to the number of thirty-

"or 7 of his neighbours, and there, in a braverie, to shew "what store he had, did cast down his purse and therein a "noble or 6 shillings in silver unto them, (for few such men "then cared for gold, because it was not so readie payment, "and they were oft inforced to give a penie for the exchange "of an angell,) it was verie likely, that all the rest could not "lay downe so much against it: whereas in my time, al- "though peradventure 4 pounds of old rent be improved to "40, 50, or even 100 pounds, yet will the farmer, as another "palme or date tree, think his gaines very small, toward the "end of his terme, if he have not six or seven yeares rent "lieng by him, therewith to purchase a new lease, beside a "faire garnish of pewter on his cupboard, with so much "more in ad vessel going about the house; three or four "feather beds, so manie coverlids and carpets of tapestrie, a "silver salt, a bowle for wine, (if not a whole neast,) and a "dozen of spoones to furnish up the sute." *Descript. of England*, chap. xii. p. 188.

of time the division is a convenient one. But in proof how little the change of religion and how much the change of prices had to do with the subject, it may be observed, that about the same time with the statute of 27. Hen. VIII. similar regulations respecting the Poor were adopted on the Continent—in particular in the year 1531, by the Emperor Charles V. in the Netherlands[j]—a country abounding in wealthy monasteries—but like England populous and commercial, and sooner affected than many others by alteration in the value of money. One thing is certain, that this increase of poverty cannot be attributed, as has been the common theme of modern times, to the Poor Laws themselves. They grew out of the state of things, as every one must admit, and could not have been in that age the cause of it. In fact the dreadful severity of the laws against mendicity, and the precarious support of the Poor from alms in their own residence, cannot have held out any encouragement to thoughtless and improvident matrimony—although Harrison says there were people in his time who thought the kingdom too populous, and complained of early marriages[k].

But amidst all these surmises we have some

[j] See Anderson, Hist. Comm. II. 55. quoted by Sir F. Eden, vol. i. p. 83.

[k] Chap. 19.

strong matters of fact, which support the opinion I advanced in my former Letter, that the depreciation of money was the chief cause. I speak not of that depreciation which arises from *debasement*. For although the fraud of such a transaction is glaring, and the distress and iniquity produced by it very extensive, yet it soon ceases; the fact is *acknowledged*: and payments and contracts presently adjust themselves to the new value. It is when the depreciation is caused by the increase of the commodity—a cause which individuals do not perceive, and which shews itself in no other way but by the increase of prices paid in *coin of the same kind*, that the error naturally prevails, and baffles all the ingenuity of men to detect it. Like the tide, it steals on silently, unobserved and unsuspected, insinuating itself one after the other into all the hidden creeks and channels of life, till at length we find ourselves unexpectedly surrounded, and unless we rise together with it, in danger of being overwhelmed.

Why the labourer is the last to obtain redress I have already endeavoured to explain [k]. But supposing the depreciation to be constant and *progressive*, by the time this tardy justice has apparently been conceded to him, or even long before it, a farther

[k] First Letter, p. 30 and 35.

"poor," and to register the sum in a book. If any refuse, the minister and officers shall admonish him—and if he be still obstinate, the Bishop is to interfere.

1562. 5. Eliz. c. 3. Justices in Quarter Sessions may (on certificate of the Bishop that any one refuses to contribute) *assess* him.

N. B. This is the first compulsory Act for relieving the Poor.

1572. 14. Eliz. c. 5. General assessment directed. *Overseers* first mentioned.

1576. 18. Eliz. c. 3. Gives the first plan for setting the able Poor to work. County Houses of Correction first ordered.

1579. 39. Eliz. c. 3. Authority first given to Overseers to raise the rate upon occupiers of land, the assessment having been before personal.

1601. 43. Eliz. c. 2. Act for the relief of the Poor—a digest of all former laws, and the basis of the law as it now stands. To endure only to the end of the next Session of Parliament. Continued in the same manner 2. Jac. I. c. 25, 21. Jac. I. c. 28, 3. Car. I. c. 4, and made perpetual 16. Car. I. c. 4.

Before I proceed to examine the Acts of the next century it may be well to consider some of the leading opinions which have been entertained, as to the causes of this great legislative measure.

The people of the time speak only of the increasing idleness and depravity of the lower orders, and the extortion of the rich. Some ascribe the unusual distress to the decay of tillage, and the practice of enclosing arable land for the purpose of pasture: and yet the price of meat rose in a much greater ratio than that of corn. Others speak of the great size of the metropolis—and in 1581, a proclamation was made to check it. Lord Bacon, in his panegyrical treatise entitled Observations on a Libel, published in 1592, where his object is to set forth the flourishing state of the kingdom, reckons the fifth blessing of the Queen's reign to be, "great population and multitude of families"—and, for proof of the fact, he refers to an Act passed a few years before, and which has only been repealed in the present reign, prohibiting the erection of cottages without annexing four acres of land. The dissolution of monasteries I have already spoken of—a reason which is justly rejected by Sir F. M. Eden, who seems himself inclined to attribute much to the rapid increase of manufactures. Yet he adopts a division of his work, viz. from the Conquest to the *Reformation*, and from thence to the Revolution, founded, as it appears, on the prevailing prejudice. The Reformation certainly coincides pretty nearly with the working of the mines in America, and therefore in point

Third's reign, and which more than once provoked the remonstrance of the Commons, heightened the distress, and it is certainly not unworthy of remark, that the first severe laws on this subject were passed in a reign[b] more remarkable than any other for that base policy.

To come down then to later times, the following statutes are worthy of notice as leading the way to the final formation of the system in the reign of Queen Elizabeth.

1496. 11. Hen. VII. c. 2. Enacts severe punishments against vagrants.

1504. 19. Hen. VII. c. 12. Ditto.

1531. 22. Hen. VIII. c. 12. Preamble complains in terms almost extravagant, of the great and daily increase of beggars—prohibits begging, except by licence from a Justice, and then only within the Hundred.

1536. 27. Hen. VIII. c. 25. Directs the officers of every place to collect alms, and the clergy to enforce the duty of giving to the *local* fund for relieving the needy, and setting the poor to work. All other almsgiving punishable by a forfeit of ten times the amount of the alms given. Collectors to be paid. Casual alms by travellers, to blind, sick, aged, or impotent persons allowed.

[b] See Lord Liverpool, on the Coins of the Realm.

1546, 1. Edw. VI. c. 3. Directs officers to provide cottages for impotent persons, and to find work for those who are able.

Against vagrants this Act is the consummation of cruelty. Any vagrant, man or woman, able to work, who lived idly for three days, was to be branded with a red-hot iron on the breast with the letter V, and to be adjudged the slave of any person informing against him, for two years. If no one should demand such loiterer, [that is, if there should be *no demand for his labour*,] he was to be conveyed to the place of his birth—there to be nourished—and kept in chains or otherwise, either at the common works in amending highways, or as the slave of any individual for two years. The employer might cause his slave to work by beating, chaining, *or otherwise*—he might feed him with bread and water, or with refuse meat of any kind—if he ran away for fourteen days during the two years, he was to be a slave for life—if a second time, to suffer death as a felon.

It should be added that the worst part of this Act was repealed within three years.

1552. 5. and 6. Edw. VI. c. 2. Two collectors of alms to be appointed in each parish, who are "gently to ask and demand of every man and woman what they of their charity would be contented to give weekly towards the relief of the

The preamble to the Act passed in 1662, for the better relief of the poor [u], may be produced in support of these opinions. It will of course be remembered that the country at that time was fallen into a state of languid repose, after the distraction and unnatural exertions of civil war and revolutionary government.

" Whereas the necessity, number, and continual " increase of the poor, not only within the cities of " London and Westminster, with the liberties of " each of them, but also through the whole king- " dom of England and dominion of Wales, is very " great and *exceeding burdensome*, being occa- " sioned by reason of some defects in the law " concerning the settling of the poor, and for want " of a due provision of the regulations of relief " and employment in such parishes or places where " they are legally settled, which doth enforce many " to turn incorrigible rogues, and others to *perish* " *for want*, together with the neglect of the faith- " ful execution of such laws and statutes as have " formerly been made for the apprehending of " rogues and vagabonds, and for the good of the " poor: for remedy whereof, and for the *preventing* " *the perishing* of any of the poor, whether young

[u] 13. and 14. Car. II. c. 12.

fact exercised in those times, at their castle gates, as well as the monasteries. So unfounded is the opinion that these institutions were friendly to the poor, that the appropriations of livings, which formed a great part of their endowments, were at length restrained by law §, because they lessened the fund of charity in those parishes—and it was expressly stipulated that, in all such cases, provision should be made for the support of a resident vicar, and for the relief of poverty. Neither is it true, that the poor ever had a legal right to maintenance from tithes. A proportionate allotment to that purpose was formerly matter of ecclesiastical regulation, but never in this, nor I believe in any other country, sanctioned by municipal law.

In these times however we find severe laws were passed against vagrancy and mendicity. One of the first is that of 23. Edw. III., which prohibits the giving of alms to beggars; and many more statutes in that and the four following reigns prove that strong coercion was necessary to suppress the practice—while they imply also, that the vagrants might reasonably expect a bare maintenance in their own neighbourhoods. Still it is probable that the great depreciation of the coin in Edward the

§ 4. Hen. IV. c. 12. See Eden, State of the Poor, vol. i, p. 345.

"or old, *for want of such supplies as are neces-*
"*sary*, May it please, &c."

I would here observe that a very fallacious argument, as to the continual increase of pauperism, is often drawn from the preambles of successive Acts of Parliament, and from the language of writers at different periods, all complaining of the same thing. Hence if in the course of a century for instance, after four equal intervals of time, the same language has been repeated, each complaint is often construed, not in reference to the *years* immediately preceding, but in reference to the *complaint* last made—which was perhaps 20 or 30 years before—and it has been rashly concluded that the increase in the last period is compounded of the increase in all the preceding periods—according to the well-known prejudice,

> Ætas parentum, pejor avis, tulit
> Nos nequiores, mox daturos
> Progeniem vitiosiorem.

But that this inference is unsound will, I hope, be admitted as soon as it is pointed out. We might in the same way infer that the age in which the last Act against vagrants or felons passed, exceeded all that had gone before in the number of such offenders; for they invariably set forth the

great increase of the offences as a reason for the new law. It must however be evident to every reflecting mind, that with regard to all political and moral evil, there are what Mr. Burke calls "ups "and downs" in society; and the increase which is lamented relates to the period of time within the experience or observation of the author—perhaps consisting only of a few years, and by no means extending back to the period of the former enactment. Some allowance too must be made in all these cases, for the common propensity to exaggerate the evil of our own time, as compared with that of past ages, especially of the age immediately preceding. And if these precautions be duly taken, I am confident that an attentive examination of the proofs on record will convince any candid mind, that the opinion of the progressive increase of pauperism, as caused by the original principle of the Poor Laws themselves, is erroneous. But to return.

The object of this law [13. and 14. Car. II. c. 12.] is to *restrain* migration, and to establish Workhouses in London and Westminster. About thirty years after, however, it was found necessary to pass a law[r] *facilitating* migration, by making strangers not removeable until actually chargeable,

[r] 9. and 10. W. c. 30.

provided they brought a certificate from the parish to which they belong. The preamble of this Act also is worthy of attention, as illustrative of the state of society at the time, and as indicating a just notion of the advantages to be derived from a free circulation of labour.

"Forasmuch as many poor persons chargeable "to the parish, township or place, where they live, "*merely for want of work*, would in any other "place where sufficient employment is to be had, "maintain themselves and families, without being "burdensome to any parish &c. . . but not being "able to give the expected security . . . . . they are "for the most part confined to live in their respective "parishes . . . . . though their labour is wanted in "many other places," &c. After many abortive regulations for about a century, the affair of *certificates*, for the purpose of preventing removal, was at length given up, and in 1795 it was enacted, that no person should be removeable, until he actually became chargeable. This concession was made on the score of humanity; but though the principle was mistaken, yet as the law coincides with sound policy, it is a great improvement.

In reviewing the operation of the Poor Laws during this century, it must be allowed that one bad effect was soon discovered, namely, that they held out an inducement to indigent persons to

leave their families to the support of the parish. So early as 1609, a law was passed for the correction of this practice: and since that time it never has prevailed to any great extent. That the poor still suffered severely in case of scarcity, or want of work, we are not surprised to find. In 1622, a pamphlet was published entitled "Greevous Grones "of the Poor," complaining that the law was not executed—that in many parishes no rate had been raised for their relief, and that they were turned adrift to beg. This surely is no evidence of the evil effect of the law itself. In times of scarcity, or after the cessation of war, it is obvious that distress will increase—but to shew that nothing is too absurd for men to assign as the cause of any unlooked for movement in society, it may be observed that a serious attempt was made by a writer in 1673 to prove that the distress of the labouring classes was the consequence of the introduction of stage coaches, instead of the old mode of travelling on horseback [z].

As it is always of use in such enquiries to have some idea of the price of provisions, I have subjoined an account taken from the Eton College books, of the average price of Wheat in every ten years of this century. Of the price of meat, which

[z] Harl. Misc. viii. 521. Eden i. 189.

is equally important, I have not been able to find any account. The bushel is that of the nine gallon measure.

		£.	s.	d.
1600 to 1610	average	1	17	10
1610 to 1620		2	1	1½
1620 to 1630		2	5	2½
1630 to 1640		2	14	9½
1640 to 1650		2	1	1½
1650 to 1660		2	9	5¾
1660 to 1670		2	8	10½
1670 to 1680		2	10	8½
1680 to 1690		1	19	1½
1690 to 1700		2	16	10½

From this it appears, that the three principal legislative measures adopted in the course of the century coincide with periods of the greatest scarcity of corn, viz. 1. that of 16. Car. I. in 1640—2. that of 13. and 14. Car. II. in 1662—3. that of 8. and 9. W. during the concluding ten years of the century. In this latter period indeed all the causes already enumerated [a] were acting in powerful combination; and the effect is perceptible in the general anxiety excited on the subject of the Poor—a subject particularly noticed by the king as a great and growing evil, in his speeches to three successive Parliaments [b].

That the pressure towards the close of the cen-

[a] Page 68. [b] Viz. 1698, 1699, 1700.

tury arose chiefly from the stagnation of trade, the disbanding of the forces, and the lessened employment, after a war of unexampled exertion, I am the more inclined to think, because upon a comparison of prices of provisions with the wages of labour, that great disparity does not appear to exist which marks the close of the sixteenth century. Our information is more scanty indeed on these points in the latter than in the former period. Such as it is, I have selected from it a few prominent articles.

1610. Wages settled by the Magistrates in Rutland.

		With diet.	Without diet.
		d.	d.
	Man Reaper	4	8
	Other Labourers, in Summer	3	7
	Winter	2	6
1651.	In Essex. Labourer	8	14
	Mower	10	18
	Man Reaper	12	22
	Woman ditto	8	14
1661.	Ditto. Labourer, in Summer	8	14
	Winter	6	12
	Man Reaper	10	18
	Woman ditto	8	14
1685.	In Warwickshire.		
	Labourer	4	8
	Man Reaper	6	12
	Woman ditto	4	8

N. B. The average price of Mutton was 1d. per lb.

Thus it appears that during the Commonwealth the wages of country labour were considerably higher than in the following reigns. But as the rule usually observed was, to consider the diet as half the wages, (the same rule which prevailed in the early part of the sixteenth century,) the condition of the labourer was nearly the same at all times.[c] Pauperism therefore, under these circumstances, must have arisen chiefly from want of employment—a want severely felt during the inactive reign of Charles the Second, and still more after the cessation of King William's war with France. To this cause Davenant, writing in 1698, attributes the heavy Poor Rate. "*In time of peace*," he says, "we pay as much to the Poor, as to the maintenance of Government, and for our protection." Locke however, in his zeal to promote parish schools, is disposed to attribute almost the whole to idleness and laxity of morals, alledging that before the French war, in the reign of Charles II. the charge was nearly as great. Much, I doubt not, was owing to this cause, and to the careless administration of the laws in that reign. Certainly after the general establishment of Workhouses in the next century, the charge was much reduced.

The best evidence on this point would un-

[c] Trade and Revenues of Great Britain, p. 72.

doubtedly be a statement of the annual amount of the Poor Rate during the whole period. But this it is impossible to obtain. The amount of a few years is occasionally mentioned—but that generally by computation—and not always from the best authority. Still, as it is the only information we have, it must not be neglected. The following sums, Sir F. Eden candidly observes, are not to be considered as possessing greater authority than the passages in the various authors from which they are extracted.

1673.	Computed by a writer, Harl. Misc. viii. 524.	£840,000.
1677.	Andrew Yarranton. See Eden, i. 196.	608,333.
1677.	Richard Haines. Ibid. 198.	700,000.
1685.	Davenant.	665,362.
1698.	R. Dunning. Ibid. 249.	819,000.
1700.	Leslie, Divine Right of Tithes. Ibid. 264.	1,000,000.

This table, scanty and unsatisfactory as it is, yet will be found fully adequate, when compared with the average amount of the Poor Rate more than fifty years after, viz. £730,135, to confute the prevailing notion that the burden has been uniformly increasing, through the natural and necessary operation of the laws themselves.

The legislative measures of the *Eighteenth* century, although more numerous than in former

times, and on that account represented by some writers as proofs that the system is wrong, and progressively burdensome, yet appear to be not more than are usually called for in a free country, to meet unforeseen evasions and abuses, and to incorporate the lessons of experience into the laws. The first important Act is that of 9. Geo. I. c. 7. restraining the orders of Justices for relief, which it seems had been obtained with too great facility under the laws that first pointed out to the pauper that mode of proceeding. This Act also promotes the formation of Workhouses, an expedient which was very generally adopted and encouraged by Government from the commencement of this century, as the appropriate check to the growing evil.

From Sir F. Eden's collections it appears that almost all the zealous authors of reform, and they were not a few, agree in the principle of erecting Workhouses, although there is some difference in their plans of detail, and management. The notion that their labour might even be productive, at least so far as nearly to support themselves, seems very generally to have prevailed—and even Defoe, whose sagacity first saw through the fallacy of all compulsory schemes of labour with a view to profit, yet lays it down as a fundamental principle that

[a] 3. and 4. W. c. 11.

"no man in England, of sound limbs and senses, "can be poor, merely for want of work." If this were true, the greatest part of our difficulties and embarrassments would be at an end.

Still we find that the effect of Workhouses in the first 30 years of that century was considerable: Sir F. Eden has given several very instructive cases[d], particularly those of St. Andrew's, Holborn—Chertsey—St. Paul's, Bedford—Hemel-Hempsted, Hertfordshire—Maidstone—Chatham—Tunbridge—St. Martin's, Leicester—Bristol, and many others. The similarity of these cases, in districts of widely different character, is striking. In all of them a great reduction of the annual charge of the poor appears to have been effected during the first four or five years. After that, whether the administration became more negligent, or the terror which they first created and which greatly reduced the number of paupers had begun to abate, certain it is that these institutions soon became very unproductive, and the Poor Rate again crept on till it equalled or exceeded its former amount. Nothing indeed is more natural than such a history of human establishments. They spring out of some strong necessity, or some prevailing opinions of the age. They are nursed with care in their

[d] Vol. i. p. 269—285.

infancy, and actively superintended by some benevolent and patriotic men—and while the zeal lasts, while the authors of them are flattered with observing their success, and are enabled to point to the fruits of their own exertions, no symptom of decay appears. But a life so precarious is shorter even than the life of man—it is commensurate not with the existence, but with the activity only and the perseverance of individuals—and seldom lives in full vigour through half a generation. Before the year 1776, the rates had risen in most places to three times their amount after the Workhouse system was established. Great allowance is certainly to be made for the change of prices, that of wheat more especially, and for the increase of population from 5½ millions, as it is supposed, to 7½ millions within the space of 50 years: but theory never perhaps was verified so promptly and unequivocally by practice, as in the early declension of these institutions, and in their utter inefficiency when left to themselves, or, which is nearly the same thing, to any body of rules however wisely framed.

Still as an economical mode of support by reason of the number thus lodged and fed together, and especially as deterring lazy applicants for parochial relief, by the conditions they hold out of confinement, labour, and personal controul, they are highly useful in all populous places. And with

the advantage of that periodical resuscitation and inspection which all such inert masses require, they will be always found necessary appendages to the systematic charity of the country.

Although from the year 1735 downwards, the subject occupied the thoughts of some of the ablest and most public-spirited men, and plan upon plan was promulgated, partly through the press, and partly in the House of Commons, yet nothing important was done till Mr. Gilbert's Act in 1782, [22. Geo. III. c. 83.] by which Workhouses were new modelled, and a superior class of Guardians of the Poor provided.

The preamble of this Act shews that it was conceived in the false spirit of humanity before noted; and the object of the framer seems chiefly to have been, permanently to increase the comfort of that situation, and to invite rather than to keep off the poor from having recourse to such a mode of support. "Whereas notwithstanding the many laws "now in being for the relief and employment of "the poor, and the great sums of money raised "for those purposes, their *sufferings and dis-* "*tresses are nevertheless very grievous*, . . . "and notwithstanding 9. Geo. I., &c. . . the "Poor, in many places, instead of finding protec-

" tion *and relief, have been much oppressed,* " For the remedy, &c."

In the same spirit it proceeds [clause 35.] to extend again the discretion of Justices in ordering relief, which had been *restrained* by 9. Geo. I. c. 7. And about 14 years after, the same Gentleman introduced into Parliament the Bill [a], which has tended more than any other enactment to spread the infection of pauperism through the body of the people—legislating still upon the false assumption of a *right* to support, and upon the mistaken basis of active benevolence.

" Whereas," it declares, " the 9. Geo. I. c. 7. " [confining relief to the Poor-house] has been " found inconvenient and *oppressive*, inasmuch as " it often prevents an industrious poor person from " receiving such occasional relief as is best suited " to the peculiar case of such poor person, and in- " asmuch as in certain cases it holds out conditions " of relief injurious to the *comfort and domestic* " *situation and happiness* of such poor persons," &c.

In this career we were rapidly advancing. For in the next year, 1796, Mr. Whitbread attempted to pass a bill empowering magistrates to fix a

[a] 9. Geo. III. c. 25.

minimum of wages for country labour. He admitted, what indeed is evident on the face of our Statute-book, that all former laws had in view not to protect the labourer but the employer, by making it penal to pay or to receive any *higher* wages than those settled by authority; yet he thought the hardship of the lower orders, whose wages had not kept pace with the change of prices, such as to justify a deviation both from modern theory and from ancient practice. This measure indeed was not allowed to pass: but Mr. Pitt, who opposed it, prepared a plan the next year for amending the Poor Laws, one leading principle of which was, to offer a *premium* for large families—to make the parish allowance in such cases a *right* and an *honour*—that "those who had enriched their country with "children might feel that they have a claim on "their support[f]."

[f] It is remarkable also of Mr. Pitt's bill, that it expressly sanctions the practice, now universally condemned, of making up the deficiency of wages out of the Poor Rate, viz.

LIV. "And be it further enacted, That if any poor per-"son, residing in any parish under the authority of this Act, "and not being able to earn the full rate of wages usually "given in such parish, or the parish or parishes united there-"with, shall with the previous consent of the person or "persons appointed to the management of the Poor of any "such parish or united parishes, contract and agree to work "at any inferior rate or wages, which wages shall not be suf-

' Happily indeed this plan was laid aside—and the subject was neglected during the long war which from that time absorbed almost every other thought and care. But can it fail to excite our astonishment, that when such were the erroneous views of our ablest and most enlightened statesmen, down to the very period of the publication of Mr. Malthus's work, yet people should still be found who dispute the praise of originality to that work, and others who as pertinaciously deny its utility? When it is manifest that this very error was the rock upon which all former projects, and all legislative measures split—when it is one that lies in the mid channel of our navigation, and yet had been only occasionally perceived, by hasty and transient glimpses of men who never dreamt of the importance of what they saw, can we regard him as having rendered small service to mankind, who first erected a blazing beacon upon it?

" ficient for the maintenance and support of such poor person " singly, or in conjunction with his or her family, it shall " and may be lawful for such officers of the Poor, with the " approbation of one or more Justice or Justices of the Peace " in the district, *to make up such deficiency* as may be neces- " sary for the support of such poor person and his or her " family, (regard being had to the earnings of such family,) " *out of the Rates* made for the relief of the Poor, *without com-* " *pelling* such poor person to be employed in any school of " industry, or in any other manner, under the authority of " this Act."

It has been observed by more than one writer that the principal laws for the relief of the Poor have been framed under the pressure of some temporary distress, arising either from bad seasons, or unusual stagnation of trade, or the termination of war. In such cases people are apt to take alarm, and not regarding the evil as *temporary* only, to contrive, if possible, how to obviate the recurrence of such distress in future. Hence the failure of most plans: whereas, if limited to the occasion, they might often be wise and beneficial, even though militating against the principles of permanent legislation. Thus employment under Overseers, especially in works not likely to be undertaken by individuals, is an excellent resource. Even the notorious failure of Workhouses, as places of productive labour, is no argument against their use on such occasions; for the very history of that failure tells us, that upon their first establishment, and for a few years after, they were found to succeed.

If then a change in the value of money be allowed to operate, as it has been my object to prove it does operate, to the necessary depression of the labourer, and of course to the increase of claims upon parochial support—if moreover, this cause, though not confined like *scarcity* to a single season, be yet of a temporary nature, and in a certain

series of years may be expected to have run out its force, we ought steadily to keep in view this important feature of the case, and to be careful how we make provisions to bind posterity, founded upon the limited experience or the peculiar circumstances of our own times. When we complain, that our labourers have lost the spirit of independence, and prefer the certain pittance of parish allowance to the earnings of laborious industry, we ought to recollect how ill-requited that industry has been, even when most willing and most productive. We ought to bear in mind, that "hope "deferred maketh the heart sick;" and that when the utmost diligence and frugality, even in times of plenty, was still unable to do more than to provide a bare subsistence for the majority of labouring men—when even their ordinary fare was a kind of short allowance, hardly admitting of retrenchment—the first unfavourable season must needs place them in a situation of absolute penury and dependence. It was not choice but necessity that drove them to that asylum. And when they had tasted of its eleemosynary succour, scanty as it was and ought to be and most sparingly administered, still the difference was not so great between wages and alms—between their present lot and their former condition--as to make them look

back with regret upon that condition, or to strive eagerly for its recovery.

A comparison of the price of provisions with the price of labour in the first twenty years of the 18th century and the last twenty years before the termination of the war would exhibit nearly the same melancholy reverse of fortune to the labourer, as we found in comparing the reign of Henry VII. with that of Elizabeth. The price of provisions advanced about fourfold, while that of labour was not even doubled. Generally speaking the first might be said to have become as seven to two, the second hardly as three to two. And can we wonder, that the support of helpless parents and relations was no longer provided out of the diminished wages of the labourer, when they were become insufficient to feed his own children? All the impotent were of course thrown upon the public—occasional sickness and loss of work had no other resource—and at length, in difficult and dear seasons, health and strength and industry united, instead of spreading its sheltering wing over others, was scarcely able to feed and to clothe itself.

It cannot then be matter of surprize, that with a population almost doubled since 1750, and under the pressure of all these causes progressively in-

creasing, the following increase of parochial allowance should have been rendered necessary.

	Money raised.	Expended on the Poor.	Expended in law and removals.	Militia and other charges.	Number relieved permanently.	Number relieved occasionally.	Population including Army & Navy.
Average of 1748, 1749, 1750.....	£730,135	£689,971	.....	.....	.....	.....	6,167,000[a]
1776.....	1,720,316	1,521,732	£35,071	£137,655	.....	.....	7,743,000[b]
Average of 1783-4-5.	2,167,748	1,912,241	91,996	163,511	.....	.....	8,241,800[c]
1803.	5,348,201	4,077,891	190,072	1,034,105	419,667	305,899	9,633,284[d]
Average of 1813-14-15.	8,164,496	6,129,844	327,585	1,834,523	516,819	423,158	10,791,115[e]

[a] Estimated population of 1750.

[b] Allowing 52,500 for the annual increase from 1770 to 1780.

[c] Taking 1784 as the year, and allowing 72,200 for the annual increase from 1780 to 1790.

[d] Allowing 289,706 for two years increase from 1801.

[e] Taking the population the same as in 1811.

From these materials, combined with the prices of provisions, Mr. Courtenay has deduced several important results in the Appendix to his valuable treatise. I shall adopt nearly the same method, in order to shew that the increase of pauperism has not corresponded with the increased prices and population, but has fallen considerably below it.

Between 1750 and 1776, the price of wheat had risen from 35*s*. to 48*s*. The advance of price would thus account for an increase of about one third, making the charge for expenditure on the

Poor 920,000*l.*: and the population being increased about 18 per cent. brings an addition of 165,600*l.* making 1,085,000*l.* as the total charge: so that the actual increase during this first period of 26 years is from 1,085,000 to 1,521,732, or 41 per cent [s].

Between 1776 and 1785 wheat rose from 48*s.* to 58*s.* or about 21 per cent. Hence the proportionate charge in 1785 would be 1,852,272: to which must be added 6$\frac{3}{4}$ per cent. or 123,484*l.* for the increased population, making 1,975,756*l.* instead of 1,912,241*l.*—a difference though slight, yet marking a *diminution* of the burden. This period, it will be remembered, includes the whole American war. Upon the next are thrown the natural consequences of the termination of that war; together with a fall in the value of money far exceeding what had hitherto taken place.

During the third period then, viz. between 1785 and 1803, the price of wheat had risen from 58*s.* to 63*s.* or about 9 per cent. which price must not be taken as the average, but as exclusive of some years of most severe scarcity, when the price was much higher. Hence the proportionate charge

[s] An error seems to have crept into Mr. Courtenay's calculation of 16 years for 26. The advance of this period is not so rapid as he supposes. The per centage of population also ought to be reckoned upon the *last* price of wheat, in order to give the true result.

would be £2,084,339—to which add 17 per cent. for the increased population, and the amount will be £2,438,670, instead of £4,077,891; so that the actual increase of charge in this period of 18 years appears to be no less than 67 per cent.

From 1803 to 1815 I have no particular account of the price of wheat. That the rise was very considerable is well known: but taking it only at 90*s.* per quarter, the proportional addition to the Poor Rate would be 43 per cent., or £1,753,454: making a sum of £5,831,345: to which add 12 per cent., or £699,656 for the increased population, and the total will be £6,531,001, *exceeding* the actual charge by £401,157: besides which, I believe the price of wheat is taken too low at 90*s.*

Hence it follows that during this last period the burden of the Poor Rate in proportion to the population was growing less—in other words that *pauperism* was decreasing—a phœnomenon only to be accounted for by the great increase of employment both from trade and war; because during the whole time the depreciation of money was rapidly progressive.

From the same documents is collected a table exhibiting in a more compendious form the *proportions* subsisting between the amount of poor rate, the population, and the number of paupers at the several periods specified.

TABLE OF PROPORTIONS.

	MONEY.					PAUPERS.				
	Money raised.	Expended on the Poor.	Law, &c.	Militia, &c.	Total Expend.	Relieved permanently. In the Workhouse.	Relieved permanently. Out of the Workhouse.	Relieved occasionally.	Total relieved.	Population.
1776.	17	15	3	1	16	—	—	—	—	7½
1785.	21	19	9	1¼	21	—	—	—	—	8
1803.	53	40	19	10	53	3	8	3	7	9
1815.	81	61	32	18	82	4	9	4	9	10

That the fall in prices after the year 1813 operated favourably towards reducing the Poor Rate, is proved by the following statement.

Number permanently relieved, (not including the children of persons out of the House.)

	1813.	1814.	1815.
Out of any Workhouse.....	434,441	430,140	406,887
In any Workhouse.....	97,223	94,085	88,115
Relieved occasionally.....	440,249	429,770	400,971
Total relieved.....	971,913	953,995	895,978

It appears also that the expenditure independent of the maintenance of the Poor (which in the last period is about ¼ of the whole) has increased in a far greater ratio than that allotted to the maintenance of the Poor.

In 1803, the total *money raised* amounted to

11*s.* 1¼*d.* per head on the whole population—in 1813-14-15, to 16*s.* 1*d.* per head—being an increase somewhat less than as 1½ to 1. But the money *expended on the Poor* did not increase in so great a ratio. In 1803, it was 8*s.* 4¼*d.* per head on the population—in 1813-14-15, only 11*s.* 4¼*d.* per head—a difference which certainly does not equal the difference in the price of provisions, being only an increase of about 1⅓ to 1, whereas the price of wheat was certainly increased as 1½ to 1 during the same period.

Another important view of the question is exhibited by comparing the amount of the Poor Rate with the assessments for the Property tax: from which it appears that the average of the Rate throughout England and Wales was, in 1804, 2*s.* 10*d.* in the pound on the whole rental; whereas in 1815, notwithstanding the vast increase of population and the advance of prices during that interval, (the rental of the kingdom being taken at 38 millions in the former case, and at 52 millions in the latter,) the Rate was no more than 3*s.* 1¾*d.* in the pound, for the average of the three years 1813, 1814, and 1815, and only 2*s.* 10½*d.* in the pound for the year 1815 alone.

The general inference from all these statements is, that the comparative increase of the Poor Rate

is by no means an index of the operation of the laws in promoting pauperism. On the contrary, if due allowance be made for the increased action of those causes which create poverty, namely increased population, loss of employment from the fluctuations of commerce or the vicissitudes of peace or war, and still more the inadequacy of wages to the advanced price of provisions, it will be found that the *ratio* of pauperism has been continually decreasing. So little ground is there for maintaining that the spirit of industry and self-support is lost, that it is demonstrably proved to have been *increasing* in force during a great part if not the whole of this period. If its force had remained only *the same*, under the weight of counteracting causes continually *increasing*, the progress of pauperism must have been proportionate to the increase of those causes. But it falls much below that proportion. The necessary conclusion therefore is, that the spirit of independence has really been acting with increased energy.

Instead therefore of suffering despondence from a review of this eventful period, it may well serve to kindle an emotion of national pride in the past, and of well-grounded hope for the future. It surely must convince us, that there is a *moral elasticity* in the character of this people, which though borne down by the accumulated pressure of many difficulties, is yet unbroken and unimpaired—waiting

only for the removal or the abatement of those difficulties to spring again into action, and to re-assume its former elevation. This view is not more encouraging to our national hopes, than it is agreeable to the kindest and best feelings of our nature. For the stronger the spirit of independent industry is found to be, the more safely may liberality be exercised in the rate of subsistence afforded to the Poor. Precisely in proportion to their slowness in resorting to it, may the scale of bounty and indulgence be raised: and a surer index of the prevalence of this spirit cannot be found, than in the fact which our investigation has clearly established, that the progressive diminution of wages far outran the progressive application for parish relief—and that when this vortex had by degrees absorbed all the aged, the helpless, and the infirm, it was stern necessity alone, and not lazy indifference or choice, which compelled at last the hardy labourer himself to assert a privilege, which nature has conferred only upon orphan childhood, decrepitude, and disease.

III. The survey thus taken of the principles of legislation on the subject of the Poor, and of the laws which have actually passed concerning them, has already cleared the way, or rather anticipated

much of what otherwise would fall under the Third head. If the alarming pressure of the Poor Rate arise, as I have endeavoured to prove, not from the principle of the laws themselves, but from temporary causes, our enquiry need only be how to adapt our proceedings to the existing circumstances of the country. All plans for a gradual abolition of the laws, besides the objections, insurmountable as they seem to me, which have been urged against them [h], must under this view of the subject be regarded as needless.

The project for fixing some *limitation* to the assessment, although countenanced by the report of the Committee, appears to me less admissible even than the plan for total abolition. To allow of assessment at all, except on the score of necessity, is absurd: but if there be necessity, which is just as likely after the limit has been reached as before, then to suppose because an arbitrary bar has been fixed, (on a principle of *policy* and not of *inability* to exceed it,) that the demand can be in practice rejected, is still more absurd. The efficacy of this plan is expected to lie in the reaction upon the whole class of paupers, who, finding that the same sum must be divided among a greater number, it is supposed will exert themselves to keep down the number for their own sake. How they

[h] See Mr. Courtenay's Treatise, sect. ii. iii. iv.

are to effect this, is not explained—Is it supposed that the body of paupers in a parish will act upon the principle of a garrisoned town—calculate their stores, and regulate their consumption accordingly? Upon no other principle can I conceive a *prospective* operation. And as to the *retrospective* operation, if it leads to the extinction of life, it is horrible—if to the bare preservation of it, it is a limitation which ought to operate at *all times*, and not merely when the rate has reached a certain maximum. The parochial allowance will naturally be more sparingly administered, in proportion to the increasing demand—and this check, not the positive institution of an arbitrary limit, is the proper corrective of such an evil.

The idea seems to have been suggested by a few anomalous cases, such as that of Wombridge in Shropshire, a parish in which, from the employment created by mines, a disproportionate population had been bred, greater even than its whole rental could support when that employment failed. Such cases undoubtedly deserve attention and relief—but they are so rare and improbable, that they may well be provided for by special clauses, without suffering the possibility of their occurrence to interfere with the principle of the law itself. The expedient of allowing a proportion of the charge out of the county rate, when it exceeds a certain poundage on the rental of the parish, is an obvious

and easy remedy. I say a *proportion*, because if the whole of any excess beyond a given point were allowed, it would create indifference in the parish as to the expence, after that point had been reached.

Indeed some provision of this kind seems in reason and equity to be called for, in order to protect landed property from the consequences of failure in commercial speculation—the profit of which, when it succeeds, is communicated but in a slight degree to the immediate precincts of the establishment, although it is sensibly diffused over the general district—while that degree of profit, whatever it be, which the landed proprietor in the immediate vicinity enjoys, would still be compensated by the risk of incurring a heavy burden that must be borne, *before* application can be made to the county for relief.

Having said so much on the duty which I conceive to exist in society of *preserving life*, as far as that is possible, and on the inconsistency, as well as impracticability, of creating different degrees of legal title to *this subsistence*, arising out of early or late marriages, moral character, non-subscription to a fund, or any other default, especially that most unreasonable of all causes, a *maximum* in the aggregate of parochial allowance, I have only one remark more to make on the general prin-

ciple, which however appears to me decisive—namely, that unless we do undertake in *every* instance to support life, vagrancy and mendicity cannot be punished. No demonstration in science appears to my mind more conclusive, than that if we deny to any human being the means of support ourselves, we have no right to deprive him of the chance he may have of finding it elsewhere. Nor would it be easy to produce an example of cruelty from the institutions of the most savage nations or the most barbarous times, to be compared with a law, which should fix an individual to a spot, and yet not provide for his sustenance—which should immure a prisoner, however abandoned, and yet refuse to supply him with bread and water.

The difficulty seems to be, how to provide for administering a more humane and liberal rate of relief, without encouraging idleness, waste, or improvident marriage.

In the first place a check upon the discretionary power of a single Justice seems absolutely indispensable. It is not to be wondered, that with the high authority before them of legislation founded upon a mistaken principle, they should misconceive the duty that belongs to themselves in their official capacity. Under the popular clamour too that has been raised against the rigours of parish controul,

and the parsimony of overseers, it is natural for men so placed in society to lean to the side of indulgence. Neither must it be suppressed, invidious as the argument may appear, that *their* indulgence is in general exercised without personal sacrifice. Their interest is not set in the scale against their liberality, as it is in the case of a parish vestry—and it is no mighty effort of benevolence to bestow the alms of other people. Incredible also is the slowness, with which even in enlightened times the best established theorems of political economy are adopted into general practice. Will posterity believe that the age which developed the fundamental principles of that science, gave birth to a regulation, widely sanctioned by magistrates, the object of which was to place at all times the same quantity of food, however diminished the supply might be, within the reach of every individual? Leave men to judge from their feelings, and of course they will err on the side of benevolence—especially men, who live in affluence themselves, and who naturally wish that others should partake of the same comforts. "The Squires of Norfolk," says Mr. Burke, writing in the scarcity of 1795, "the Squires of "Norfolk had dined when they gave it as their "opinion that wages ought to rise and fall with "the market of provisions." The sarcasm is applicable to a much more numerous class, who have

continued, up to the present hour, not only to profess this principle, but to enforce their observance of it by orders upon the Parish Rate.

It is therefore one of the wisest provisions of the New Bill that it proposes to restrain the discretion of a single Magistrate, and to make two Justices necessary for many acts to which one was before competent. If the concurrence of three were required it would perhaps be still better. But on the other hand, I would vest in some such local authority the power not only of ordering relief, where it appeared to have been improperly withheld, but of *levying a fine* upon the parish convicted of this breach of duty. It must be a positive breach of duty to justify the interference of the Magistrate at all, (for as a question of discretion arising out of the circumstances or character of the individual, the parish must be a better judge than the Magistrate) and if a breach of duty, it should not only be rectified, but the offending party also punished.

The appointment of select vestries, and of permanent assistant overseers, will undoubtedly be of great service, especially in populous parishes. The sick, the aged, the impotent, the orphan children will doubtless receive more than a bare sustenance from the kindness of those who take the lead in parish affairs—but it will be spontaneous and not

compulsory. Any denial of subsistence, any abuse of power, any act of positive inhumanity, should not only be restrained but punished: but the magistrate ought never to be empowered to enforce charity. A discretionary power might also be vested in the magistrate, after personal inspection, as to the accommodations of a workhouse or of any parish house; and it would be well if no order for relief out of the house were valid, except on the ground that there is not sufficient room for the pauper within it.

In times of scarcity, or of unusual stagnation, a class of applicants is always created, who cause much greater difficulty. In the case of scarcity, nature dictates that the allowance should be shortened in proportion to the exigency—of the degree of which exigency the price is the surest index. The absurd notion also of a *right* to a full supply of wheaten bread must be steadily denied or disregarded. The case therefore is a painful one, but not perplexing. It is the stoutest not the kindest heart that is then wanted: and all we have to do is, to weather the storm as well as we are able, taking additional care to be vigilant and strict in keeping all members of the community within the bounds of duty.

In the other case, when the demand for labour fails, as it naturally does after a war, or any defal-

cation of trade, workhouse employment is undoubtedly better than none. Employment on roads also is a resource always at hand—and those undertakings should be sought out, which are in their nature occasional, and which least interfere with established interests. The object in all such cases is, not to make the labour profitable, but useful—not to enter into competition with private demand, but to supply in some measure the want of it. Care therefore must be taken not to offer a temptation to remain in this service, whenever any opening presents itself of another—much less to break down the line of separation between them, and by blending wages with alms, or parochial with free labour, to confound the two conditions of life, between which all theory and all experience teaches us that we cannot too strongly mark and maintain the difference.

As far as possible too, in this kind of employment the labourer should be paid according to the work done, or to the hours actually employed—and notwithstanding the expence, an overseer or taskmaster should be hired to superintend—if for no other reason, yet to render the employment less attractive. An excessive supply of labour, so controuled, and scantily paid, will by degrees be brought to a level with the demand—whereas, if adequately paid, or indulgently treated, it must have a strong tendency to perpetuate or even to propagate itself.

It is, I presume, under the contemplation of such occasional redundancies in the supply of labour, that in the proposed Bill a provision is made for purchasing parish land to be cultivated by paupers, and even to be let to them as tenants. The policy however, of such a step, seems very questionable. It then becomes a sort of out-door workhouse—and supposing it *always* to be in cultivation, it furnishes no resource for the expected emergency. If *not always* in cultivation, but kept in reserve for seasons of distress, it is a positive deduction from the national wealth at all other times.

Besides, it seems to recognize (what is most hostile to sound policy) the class of poor as a sort of permanent body—as possessed of positive rights and interests in their corporate capacity—an error which naturally arises out of the certainty that there always will be poor in the land. But these poor are merely the aggregate of individuals, who from time to time may have lost their station as component members of society—they have no *political* relation whatever—they are essentially dependent upon the *charity* of others—and they should not be taught to expect any legal rights or exclusive advantage arising out of that situation. By the nature of things theirs is a lower condition than any employment however menial—and it is

an inversion of the order of things to make it the title to privileges of any kind.

The provision for loans to labourers, especially of the manufacturing class, who are accidentally thrown out of employ, but whose full wages are more than sufficient for their support, is one of the best features of the proposed Bill. They may be available too in a case which is peculiarly embarrassing—when work fails in one district and must be sought in another—and yet the labourer, if his means are exhausted at home, cannot enter upon this most reasonable of all enterprises, without incurring the distress and the penalties of a vagrant.

This topic naturally leads to a consideration of high importance, although it is not included in the Bill now before Parliament—the law of Settlement. Probably it is intended to form the substance of a distinct measure—certainly it is one which requires more knowledge of law, and more practical acquaintance with the administration of this branch of it, than I can pretend to have, to justify any confident opinions upon the subject. But the comparatively recent origin of this law, which is not earlier than the reign of Charles II. and the very complex and inconvenient form to which it has since grown, may well excite a doubt, whether

there be not something fundamentally wrong in its principle. Supposing for instance, that *birth* were considered as the first ground of settlement, and *residence* for a term of years without having received parochial relief, the second—a residence independent of all conditions of service, or hiring, or occupation of a tenement—the law would undoubtedly be much simplified, the free circulation of labour promoted, and no hardship, that I can foresee, be caused, except in those parishes to which manufacturing establishments draw a population, disproportionate to the property thus made liable to assessment. The ordinary fluctuations of demand and supply between different districts, must be allowed to balance one another—any slight local pressure being fully compensated by the great public advantage attending a free circulation—and no injustice being involved in the principle of the measure, because the *risk* is from the beginning the same to all. But against the possible excessive burden from manufactures or other causes, a provision might easily be made, and ought in justice to be made, out of the county rate. For although the increased value of property in a single parish bears no proportion to the increased risk and actual burden caused to that parish by the influx of manufacturing labourers, yet to a large district, such as a county, the general increase of wealth subject to

assessment, which flourishing manufactures create, may be said to correspond pretty well with the increase of pressure arising from their occasional failures, and from the standing charge of their sick and impotent population. At the same time, to guard against prodigality or carelessness in a parish, it should be provided, that the aid from the county fund should issue according to the principle of *proportion* to the parish charge, not by way of *supplement* after a certain point of expenditure had been reached.

Of the measures recommended with a view to remedy the evil by their *indirect* operation, the institution of parish schools is the first in importance, in practicability, and in efficacy. Nothing however of this kind can be successful or durable, from the influence of law or of rules only. There must be a presiding mind on the spot to invigorate such institutions, or even to keep them alive—a mind which acts from a sense of duty, and with a perfect conviction that this duty is one of perpetual and personal obligation—that it is a debt, "still "paying, still to owe," for the liquidation of which no sinking-fund can ever be provided. To the clergy of course this duty especially belongs—and there is every reason to think that a sense of its high importance is daily spreading among them.

It is the moral amelioration, not the productive industry of the children from which the public benefit is to be derived—a benefit which cannot be exhibited in the balance of an account, and which from its being incapable of reduction to any mechanical standard, will of course be always questioned, and often overlooked. But a spirit of industry, of self-respect, of moral decency *must* be promoted by such discipline—and the mere habit of looking to the possession of certain decencies and comforts as necessary, which are not literally necessary, cannot but create, as we have already observed, that prudential check upon marriage which, whether deliberately imposed, or adopted only through habit and custom, is absolutely essential to the well-being of society.

Of the proposal next in point of importance, the plan of parochial benefit societies, I must profess, what I feel after an unbiassed examination of all that has been said in their favour, a decided disapprobation. They appear to me radically wrong in several material points. A poor man should not be expected to save for another—it is quite enough, and it is quite as much as we can ever expect to do, to make him save for himself. The unreasonableness and the unfairness of this mutual guarantee in that class of life, and for the

purposes there intended, have been so clearly demonstrated by Mr. Davison [1], that nothing remains to be added to what he has said, and no language can express the same reasoning so happily and so forcibly as his own.

In Mr. Courtenay's plan, which was laid before Parliament last year, it is proposed that the parish should assist in the formation and support of the fund, so as to lower the quota of each contributor. It does not appear what degree of irregularity in continuing the contribution shall subject the contributor to the forfeiture of his interest in the fund: but such a forfeiture is, I believe, an essential article in all funds so constituted; and it is one of the many objections that lie against them. Change of residence may render the payment burdensome, or a loss of employment impossible. In neither case can the money already deposited be withdrawn—and thus after years of toil and frugality the ground on which his hopes are built may be cut from under his feet, and his hard-earned savings go to the support of some neighbour more fortunate than himself. Indeed the principle of speculation and gaming which such schemes involve is altogether

[1] Considerations on the Poor Laws, p. 13—24, especially p. 18—21.

incongruous with the simple and sober habit we are most desirous of forming.

As an auxiliary to Saving Banks, a parish fund protected by trusty persons, and guaranteeing to the contributor the safe conveyance of his deposit to the Bank, might be of considerable use. But it is the principle of the Saving Bank itself, that is the freest from all objections, and speaks the plainest and most direct language to the understanding of the common people. In them there is no calculation of contingencies—no balancing of motives—no mutual envy and suspicious vigilance—no rejection of a sickly applicant—no ale-house meetings, no cabals, no debates—no anxiety lest another should reap what we are sowing—no doubt in short entertained, but a sober certainty, that every shilling so saved is laid up for the benefit either of the depositor himself, or of those who are no less dear to him than himself.

The mere unrestrained power of withdrawing his deposit invests him with the character of a proprietor, and tends to nurture all those qualities which naturally spring from the possession of property—prudence, frugality, self-respect, dread of mendicity and dependence.

Now that I have touched on this subject, I may perhaps be permitted to suggest that the provisions

of Mr. Rose's Act for the regulation of these Banks are capable of great improvement. The object is to hold out the means of preserving and nursing an infant stock, till it is become of sufficient size to need no such gratuitous care. It may then be placed either in the public funds, or in the hands of agents whose profession it is to manage the property of others—and no reason can be assigned, why this property should not pay proportionably for its management with all other property. Certainly it is against all reason to create an Unfunded Government Debt, bearing a high interest, in order to provide an investment for such accumulations—which is in fact taxing the country to pay a premium to those who have already profited largely by these institutions. That no such inducement is wanted to encourage depositors experience has abundantly proved—the security of their principal, with an entire controul over it, being quite sufficient, without the temptation of a high rate of interest. At the same time it is unfair to the established bankers, to intercept what would naturally and reasonably be confided to their management, and what can as well afford to pay for that management as any other fund. The risk also and responsibility is thus lightened to the trustees of the Saving Bank; and when the depositor's account has reached its known maximum, he may after

removal of the sum, begin a fresh account, and repeat the operation as often as he pleases;—the main object of such institutions being, to generate and encourage a *saving habit,* not to restrict its operation to any fixed sum within the year.

Upon this principle a Bank was instituted, and continued to flourish in this place, until the recent Act made it necessary to alter its regulations, in order to participate in the advantages thus offered by Government. The author of that Act, though full of active benevolence, was never I believe distinguished by very comprehensive views, or any strong capacity for legislation. And I cannot but think that, without disrespect to his memory, and with considerable advantage to the public, a revision of the whole scheme might take place upon the principles above suggested.

It is in the active superintendance of institutions such as these that the benevolence of country Gentlemen may most effectually be employed—certainly not in lending a ready ear to the complaint of paupers, and in signing a hasty order for relief out of the property of others.

There is however another channel through which the generosity of the more enlightened class may safely and most reasonably be employed. It may require more firmness of character and more personal sacrifice than that of enforcing

abundant parochial relief—but as it is a more manly line of action, so is it also more truly liberal and more charitable—I mean that of advancing the wages of those labourers whom they employ, not covertly but avowedly, tendering in the first instance that equitable compensation for their labour, which by the slow operation of the principles of human society must one day or other take place. To be foremost in extricating these humble interests from the difficulties in which they are entangled, instead of leaving them to force their own way, whatever *offence* may thus be given to the class immediately above the labourer, is an exercise of generosity and independence worthy of the station they fill. To give nature her fair chance—to help and expedite that instinctive process which tends towards a cure, but which is impeded by some indolence of the system or some perverse habit of the diseased patient, is agreeable to the soundest and most enlightened practice. Unlike the ordinary interference of authority in matters of traffick, which commonly is founded on false principles, counteracts nature, and leads to embarrassment and confusion, such a measure does no more than quicken the march of justice, and smooth the way for her passage.

While that disproportion exists between the wages of agricultural labour and the profits arising

from it, the gain rests with the employer. If by a rise of wages his profits are much lessened, the worst land will go out of cultivation—less corn will be grown—and when free foreign competition is again let in, the difference of profit may be considerable. The loss however which during the existing lease falls upon the farmer, must soon be transferred to the landlord, supposing the demand for produce not to increase, or to be supplied at a cheaper rate from abroad. The country at large however seem convinced that foreign competition ought for a time to be excluded. Meanwhile an opportunity will be afforded for directing the surplus of agricultural labour into some new channel: but the labour that *is retained* ought surely to be paid adequately by its own employer, and not be driven to solicit extraneous and indirect assistance. Let this natural state of things be once restored, and the several interests will speedily settle of their own accord into the right places.

There is now no scarcity of subsistence: it is a civil not a physical embarrassment we labour under—and the advance of wages, would have no tendency, as in times of scarcity, to increase the evil. The wages *are* in fact advanced, but not charged to the right person—nor measured by the true standard. They are measured by the standard of parochial subsistence—and are therefore either

too low for wages, or too high for alms. It is of the last importance that a marked difference should exist between the two things.

In taking my leave then of this investigation, I cannot but express some satisfaction at finding, that no violent remedy seems to be called for, but that the chief benefit will arise from knowing our constitution more accurately, and from discovering the true seat of the disorder. The steps too that are most necessary to be taken, are those which fall in with the acknowledged duties of man, and carry the reward of virtuous action along with them. At the same time, although a close inspection into the nature of legal relief has taught us that this gratuitous mode of support is necessarily of itself encroaching and insatiable, and requires in the nature of things to be kept down to the lowest standard, yet we also find that all the improvements of life, whether in arts, in morals, or intellect, tend to lessen this state of abject poverty, and provide scope for the freer expansion of our benevolent motives—motives which we are continually called upon, in all systematic bounty, to moderate and restrain. For it is a fundamental truth never to be lost sight of in these inquiries, that whatever tends to improve the general fabric of society, to raise the tone of manners, or to acquire a more complete dominion over the powers of nature,

tends also to elevate the whole system of social life, and to render the lowest order in that system superior both in dignity and in enjoyment to the natives of a country, in which, as in India and China, the only source of wealth consists in the redundant supply of human labour.

THE END.

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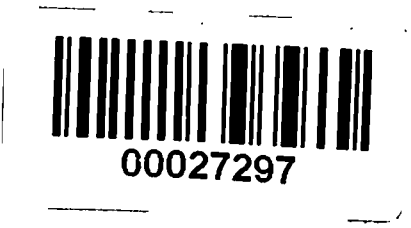
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on 28 September, 2015